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# ***Daily Report—***

# **China**

FBIS-CHI-92-037  
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# Daily Report

## China

FBIS-CHI-92-037

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25 February 1992

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### United States May Impose Sanctions Against EC

OW2202042892 Beijing XINHUA in English  
0324 GMT 22 Feb 92

[Text] Washington, February 21 (XINHUA)—The Bush administration threatened today to impose retaliatory sanctions against the European Community (EC) for trade barriers blocking the sale of American communications and electrical generating equipment.

U.S. Trade Representative Carla Hills said that negotiations will continue with the 12-nation European Community, but that if the issue is not resolved, the administration will put in place trade sanctions, which could take the form of higher tariffs on European products sold in the United States.

Hills said she is not recommending that sanctions go into effect immediately because she still has hope that further talks would resolve the dispute.

Her statement did not provide details on what tariffs could be involved or on what goods the sanctions would be imposed.

Decisions on those issues will be made later, she added.

### Baker Says Israel Must Stop Settlements

OW2502005092 Beijing XINHUA in English  
2128 GMT 24 Feb 92

[Text] Washington, February 24 (XINHUA)—U.S. Secretary of State James Baker said today Israel must stop settlement activities in the occupied territories in return for getting 10 billion dollars in U.S. housing loan guarantees.

Testifying before the House Appropriations Subcommittee on Foreign Operations, Baker said he had offered up to 2 billion dollars a year in guarantees over five years if Israel would halt settlement work in lands it occupied after the 1967 Middle East war.

"The choice, from our standpoint, is Israel's," Baker said in his first detailed public comments about the closed-door negotiations over the past months.

Baker said the United States had offered to allow completion of housing units under construction on January 1, 1992, but with a penalty reducing the guarantees by any amount spent on building any new units.

If it determines new settlement work is going on after the guarantees go forward, "the United States should have the right to end, terminate, suspend any provision for absorption assistance at that point," he said.

Baker also said he included in his definition of settlement activities such things as clearing land, building roads and sewers and the like—anything linked to increasing the population of Jewish settlers.

But he excluded from the construction ban any development undertaken for security reasons, such as a defense installation.

"We have a total, absolute and unwavering commitment to the security of Israel," he said.

However, Israel objected to links between the guarantees and the settlements. Israel's Housing Minister Ariel Sharon said Israel had begun 2,000 housing units this year and will soon start another 1,000. And Prime Minister Yitzhaq Shamir said, "he would defy Washington rather than stop settlement construction even for a day."

The issue of housing loan guarantees, which Israel needs so it can borrow money from U.S. commercial banks to absorb 350,000 Jewish immigrants from the former Soviet Union, has overshadowed the fourth round of the Middle East peace talks here since they were launched last October under U.S. auspices.

The Palestinian delegation to the peace talks has argued that if Israel keeps up its current settlement pace, there won't be any need for talks because the Israelis will have taken over all their land.

### Israel Reacts to Call for Settlement Freeze

OW2502140892 Beijing XINHUA in English  
1301 GMT 25 Feb 92

[Text] Cairo, February 25 (XINHUA)—Israel today reacted with dismay and anger to U.S. Secretary of State James Baker's ultimatum that the Jewish state must freeze settlement building and otherwise, it will be denied of 10 billion U.S. dollars in loan guarantees.

According to reports from Jerusalem, Israeli Foreign Minister David Levi warned that "Israel cannot be seen to be caving in."

However, he sounded a note of reconciliation when he told visiting American Jewish leaders late Monday that "everything must be done to overcome differences and reach agreement."

Ehud Gol, spokesman for Prime Minister Yitzhaq Shamir, said the government had no official reaction to Baker's call but emphasized that Israel "remains in negotiations" with Washington on the loan guarantees.

Israel is seeking the guarantees to get international loans at favorable rates to build houses and create jobs for Jewish immigrants from the former Soviet Union. It has insisted that the issue be separated from settlement building.

The United States views Israel's settlement building as an obstacle to the Middle East peace process and tries to use the guarantees as a leverage to push Israel for a settlement freeze.

Shamir on Monday reiterated his refusal to freeze settlement building in the occupied lands.

"We cannot, under any circumstances, go along with the principle that Jews have no right to live in this or that part of the land of Israel," he told the visiting U.S. Jewish leaders.

Also on Monday, his hawkish housing minister, Ari'el Sharon, announced that he has since 1988 started building 22,000 to 23,000 new housing units in the occupied territories and the annexed East Jerusalem.

Construction on some 2,000 new housing has begun so far this year and another 1,000 "will be under construction soon," he said.

The influx of immigrants added to Palestinians' fear that Jewish settlers may destroy their chance for an independent Palestinian state. The territories, captured by Israel in the 1967 Middle East war, are home to 1.7 million Palestinians.

### 'News Analysis' on Arab-Israeli Talks

*OW2402230292 Beijing XINHUA in English  
2047 GMT 24 Feb 92*

[("News Analysis" by Li Sizhi: "No Breakthrough Expected in Arab-Israeli Bilateral Talks in Washington")]

[Text] Cairo, February 24 (XINHUA)—The fourth round of Arab-Israeli bilateral negotiations started in Washington today but no breakthrough is expected to come out of the talks.

In the earlier rounds of bilaterals in Madrid and Washington, Israel and Syria, Lebanon and a Jordanian-Palestinian delegation squabbled about procedures, but this time they will come to grips with matters of substance.

The Palestinians have said they would condition further discussion of an interim self-rule in the occupied West Bank and Gaza Strip on an Israeli freeze in Jewish settlement building there.

However, on the eve of the talks Sunday, Israeli Prime Minister Yitzhaq Shamir refused to succumb to U.S. pressure and rejected the U.S. attempt to link the 10-billion-dollar loan guarantee approval to a halt of its new settlement building in the occupied lands. Shamir vowed not to stop these settlements.

The U.S. considers Israel's continued settlement activity in the occupied lands as an obstacle to the Middle East peace process.

Israel has built hundreds of settlements to settle more than 112,000 Jews in the occupied lands, which are said to have swallowed up more than 60 percent of the territories.

More than 350,000 Jews of the former Soviet Union have migrated to Israel since May 1990 and about 1 million more will come in the next few years. So Israel

badly needs the guarantees to get loans cheaply to accommodate the Jews and provide them with jobs.

But the U.S. and Israel failed to agree last week on the loan guarantees as both sides stuck to their positions.

So Shamir's Sunday statement could threaten the survival of the shaky peace process and observers here said that the bilateral talks might even collapse if the Palestinians walk out in protest against Israel's intransigence.

Meanwhile, the week-long artillery duels between Israeli troops and Hezbollah guerrillas, especially Israel's large-scale intrusion into two south Lebanese villages outside the "security zone" Thursday have polluted the atmosphere of the bilateral talks.

The invasion, the largest since 1985, was sparked by rocket attacks on northern Israel from Moslem guerrillas who wanted to avenge the killing of Hezbollah Secretary-General Abbas al-Musawi during an Israeli air raid last Sunday.

The tank-led Israeli forces withdrew Friday and the pro-Iranian Hezbollah also called off their rocket attacks under pressure from the Lebanese Government and Syria.

However, Israeli troops are poised to stage fresh forays into south Lebanon in search of guerrilla rocket launchers so long as the Moslem fighters persist in driving the Israeli occupiers out of south Lebanon.

The incursion shows that Israel will spare no effort in staying in south Lebanon and this has dimmed the prospect of the bilateral talks between the Jewish state and Lebanon which has urged Israel to pull out in accordance with U.N. Security Council Resolution 425.

It is hard to predict how the peace talks between Israel and Syria will develop since Israel has vowed not to withdraw from the Golan Heights it seized from Syria during the 1967 Middle East War, while Syria insists that Israeli withdrawal is a must if any tangible progress is to be made in the peace talks.

### XINHUA Says IAEA Faces Financial Crises

*OW2502030992 Beijing XINHUA in English  
0245 GMT 25 Feb 92*

[Text] Vienna, February 24 (XINHUA)—A leading atomic expert warned today that the International Atomic Energy Agency (IAEA) was facing a financial crisis unprecedented in its history because some countries had delayed payment of their membership dues.

IAEA's director-general, Hans Blix, said at an IAEA council meeting that only one quarter of the 1992 budget was guaranteed, and the agency would find itself unable to operate normally.

One cause of the difficulty was that the United States, which should pay one fourth of IAEA's total budget, would not make its payment until the second half of the year.

But the main reason for the difficulty was the disintegration of the former Soviet Union. No country of the Commonwealth of Independent States was willing to pay by itself or share with others the membership dues of the former Soviet Union, which accounted for 18 percent of IAEA's annual budget.

In addition, other countries delayed paying their membership dues for a long period of time.

Blix proposed that IAEA's 1992 budget should be reduced by 13 percent so as to ease the financial difficulty the agency faced.

China urged all member-countries to pay their dues on time to guarantee IAEA's normal functioning. It also called on the agency to streamline its administration to reduce unnecessary expenditure.

The conference, which will last five days, focused today on international nuclear safety. The 35 IAEA member-states attended the meeting.

#### Article Praises Achievements of UN Summit

HK2202025392 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 6-7, 17 Feb 92 p 40

[Article by Tang Tianri (0781 1131 2480): "For the Sake of World Peace and Security—Commenting on UN Security Council Summit"]

[Text] The UN Security Council summit was held at the UN headquarters in New York on 31 January. The heads of states and government leaders of the five permanent and 10 nonpermanent members gathered to discuss world peace and security issues. Such a meeting was held for the first time in history since the United Nations was founded 47 years ago.

French President Mitterrand first proposed this summit at the end of last year. When Britain took the Security Council chair in January this year, Prime Minister Major positively pushed forward the proposal and helped bring about the meeting's convocation. At first, the United States showed no interest in convening such a meeting, and its attitude was ambiguous. The United States believed that the convocation of an international meeting like this would be conducive to raising the prestige of British Prime Minister Major, who was faced with the general election, while it was disadvantageous to U.S. President Bush in an election year. U.S. public opinion has been criticizing President Bush for putting too much energy on foreign affairs and overlooking the domestic problems, to which due attention should be paid. Afterward, the United States indicated that if other Security Council members were willing to attend the summit, President Bush would do the same. On 13

January, Prime Minister Major had a talk with newly appointed UN Secretary General Ghali on convening a summit. After the talk, Major announced that all 15 UN Security Council member countries agreed to participate in the meeting.

The summit's convocation was very unusual, reflecting that the current world situation was complicated and ever-changing, and that the world was by no means calm.

With the bipolar pattern being completely disintegrated, the world is in a period of replacing a new pattern for the old one, and the development tendency toward multipolarization is gathering pace. The world needs peace, nations want stability, and the economy should develop. All this has become the common aspirations of the people of all countries. Such aspirations have facilitated the solution of the knotty problems in some regions, some of which are in the process of being resolved. To a certain extent, relaxation has emerged in the international situation. However, the factors jeopardizing world peace and leading to tension of the world situation have not been fundamentally removed. Some of the old conflicts and confrontations have ended, while new conflicts and confrontations have come into being. Particularly, the disintegration of the Soviet Union, the civil war in Yugoslavia, and the continuous widening of the gap between the North and the South have caused peace and development, the two main subjects of our time, to be confronted with serious challenges.

Under this situation, people placed high hopes on the United Nations. Over the past few years, the United Nations has made positive contributions to safeguarding world peace and security, promoting political settlement of conflicts in troubled regions, and accelerating the economic and social development of all countries. Today, there are issues in which all countries express mutual concern and expectation, including how the United Nations will strengthen its own sacred responsibilities, continue to safeguard world peace and security, expedite the fair and reasonable solution of regional conflicts, bring about dialogues between the North and the South, play a greater role in pushing forward disarmament, and giving impetus to development. The proposal to convene the Security Council summit was forwarded in this background.

This meeting provided a good opportunity to the leaders of the 15 Security Council member countries to exchange views, facilitate dialogues, strengthen contacts, and discuss the important matters of the world in relation to peace and development.

At the one-day meeting, leaders of the 15 countries expounded their respective views and propositions on the present world's major issues. Although they had different views on quite a few issues, in face of the present world's turbulent reality, they sought common ground while reserving differences, expressing their aspirations that the United Nations should play a greater role in safeguarding world peace and security. Outside the

meeting, leaders of various countries held bilateral talks and discussions, which were beneficial to furthering understanding, eliminating differences, and promoting consensus. These high-level talks are very useful for improving relations between nations, and enhancing and strengthening the UN's role in safeguarding world peace and security.

As government head of China, a permanent member of the Security Council, Li Peng attended the meeting and made an important speech, in which he comprehensively expounded China's stand and views on current major international issues, reiterating China's opinions and position on what kind of new international order should be established. He also expressed the Chinese Government's wishes to cooperate with all member countries on the issue of strengthening the UN role in safeguarding world peace and security. Premier Li Peng's remarks were welcomed and commended inside and outside the meeting. After the meeting, many leaders of the participating countries, UN officials, and journalists congratulated Premier Li Peng and the Chinese officials, saying that the Chinese premier's speech was "unusual," "with substantial content," and "something that a number of countries in the Third World wanted to say." During the meeting, Premier Li Peng had interviews with leaders of various participating countries, exchanging views on bilateral relations and important international issues, which have promoted mutual understanding.

The meeting has achieved positive results. It is a good beginning in seeking world peace and security. When the meeting ended, leaders of all participating countries adopted a resolution, authorizing the meeting chairman to publish the "Chairman's Declaration." The declaration expressed their common wishes: Give enthusiastic support to the United Nations in its effort to play a greater role in safeguarding world peace and security under the new situation. The declaration also expressed wishes to support and cooperate with the UN secretary general in his work.

The world opinions and relevant parties, on the whole, positively and enthusiastically appraised the summit. In view of the aforementioned facts, UN Secretary General Ghali suggested that such a Security Council summit be held periodically in future to continuously enhance the UN's role in safeguarding world peace and security.

#### **UNCTAD Conference Issues Final Document**

##### **Urge Stimulating Technology**

*OW2402230092 Beijing XINHUA in English  
2158 GMT 24 Feb 92*

[Text] Cartagena, Colombia, February 24 (XINHUA)—High priority should be given to stimulating technology flows to developing countries through cooperative projects, incentive measures and inter-enterprise cooperation arrangements, according a U.N. document adopted here today.

The final document of the Eighth Session of the U.N. Conference on Trade and Development (UNCTAD), adopted by the UNCTAD main committee, said, "policies and measures in this field should facilitate the access of developing countries to technology, enhance their capacity to modify and adapt it to suit local conditions, and to generate and develop technology domestically."

Developing countries should emphasize policies and measures that enhance their technological capability, and should devote adequate resources according to their national development needs within existing availabilities to that end.

Such policies must range from the expansion and adaptation of their educational systems, including vocational training, to the building up of their scientific and technological research and development capabilities.

"Such policies should include measures to encourage the diffusion and technology within developing countries, specially to small and medium-sized companies," the document said.

It also urged developed countries to consider ways of facilitating technology cooperation with developing countries.

In their trade and technology policies, developed countries should facilitate access of developing countries to efficient, best-practice and needed technologies.

Means to encourage technology flows to developing countries could include public guarantee schemes to promote joint ventures, licensing agreements and research and development cooperation agreements.

"Bilateral and multilateral assistance programs should give due priority to the transfer of appropriate technology, taking into account national development needs," the document said.

It also urged developed countries to encourage improved cooperation between enterprises and scientific and technological institutions of developed and developing countries.

To mitigate the negative consequences of the reverse transfer of technology, developing countries should consider, where appropriate, national policies which will encourage their nationals to study and/or work in their home countries.

Meanwhile, developed countries should consider providing increased support to existing programs to enable many developing countries to benefit from knowledge and expertise accumulated by their skilled personnel residing abroad.

The document requested the examination of effective modalities for the creation, development, favorable access to and transfer of environmentally-sound technologies, in particular to developing countries, including on concessional and preferential terms.

"UNCTAD should focus its work program in support of economic development of developing countries, and of promoting transfer of technology to, and development of endogenous technological capabilities in developing countries," the document said.

#### 'Mobilize' Domestic Savings

OW2402230192 Beijing XINHUA in English  
2205 GMT 24 Feb 92

[Text] Cartagena, Colombia, February 24 (XINHUA)—A U.N. document adopted here today called on all countries to make sustained efforts to mobilize domestic savings for investment, growth and development.

The final document of the Eighth Session of the U.N. Conference on Trade and Development (UNCTAD) emphasized that a major part of such efforts should be the achievement of macroeconomic stability and predictability, which in turn requires increased monetary control and greater financial discipline.

"The conference agrees that an economically and institutionally efficient public sector would contribute to fostering growth and development," the document said.

In many countries, public sector reform is essential for the improved mobilization and use of savings.

The document stressed the importance of giving high priority to the development of human resources, especially with regard to women, particularly to improve the status of rural women, and the provision of basic public goods, including investment in infrastructure, as well as social services, such as health and education.

Structural adjustment programs and international cooperation programs should take full account of these priorities.

The document urged developing countries to improve their policy and regulatory environment to attract foreign direct investment, the return of flight capital and other non-debt-creating financial flows.

"A favorable environment for foreign direct investment also requires appropriate policies to sustain economic development and to encourage the expansion of internal market opportunities and export activities," the document said.

It also stressed the need for developed countries to implement necessary adjustment measures to bring about a more favorable international economic environment, which would help stimulate economic growth in developing countries.

It called on developed countries to reduce external and fiscal imbalances, adopt appropriate mixes of fiscal and monetary policies conducive to a decline in interest rates and an increased stability of exchange rates.

All countries should consider the possibilities that exist in their specific and individual situation for the reduction of military expenditures and for channeling the savings toward socially productive uses.

The document urged all countries to reaffirm their commitment to the evolving international debt strategy aimed at restoring debtor countries' external financial viability and the resumption of their growth and development.

The document urged the international community to continue to provide support, including, on a case-by-case, further debt relief, for countries implementing sound economic reform programs.

It stressed that substantial additional efforts are required to enhance both the quantity and quality of support for developing countries.

Developed country donors should implement the undertakings they have made to attain the agreed international of devoting 0.7 percent of gross national product to official development assistance.

#### Support, Strengthen Service Sector

OW2402234892 Beijing XINHUA in English  
2303 GMT 24 Feb 92

[Text] Cartagena, Colombia, February 24 (XINHUA)—The UNCTAD final document adopted here today called for the support to the efforts by developing countries to strengthen the production and export capacity of their services sector.

The final document, adopted by the main committee of the eighth session of the UN Conference on Trade and Development (UNCTAD VIII), said the conference agreed that developing countries should pursue policies to create the appropriate conditions for the development of their national services sector.

It said all national governments should be encouraged to support progressive multilateral liberalization, through negotiated commitments, under the draft general agreement on trade in services (GATS), particularly with respect to increasing participation of developing countries.

The conference also endorsed the obligation that developed countries, and to the extent possible other national governments, shall maintain contact points, as established under the draft GATS, to facilitate the access of developing countries' service providers to information related to their respective markets.

The document noted that the conference agreed that the international community, particularly developed countries and relevant international organizations, should be encouraged to continue support of concerted policy actions, including the provision of financial assistance on concessional terms, to promote training, acquisition and transfer of technology on terms and conditions

agreed by the parties concerned, to build up their technological and human capabilities, so as to enhance their ability to absorb relevant technologies and to construct and/or improve basic services infrastructures, including subregional and regional transportation, particularly in low-income countries and the least developed countries.

UNCTAD, the document noted, in cooperation with other UN organizations dealing with services, should continue its useful work in the promotion of mutually beneficial international cooperation in the field of services so as to help the developing nations.

#### **Urge Producer-Consumer Cooperation**

*OW2502005792 Beijing XINHUA in English  
2334 GMT 24 Feb 92*

[Text] Cartagena, Colombia, February 24 (XINHUA)—UNCTAD VIII today urged producers and consumers of individual commodities to make an examination of ways and means for reinforcing and improving their cooperation in order to contribute to the solution of problems in commodity area.

In the final document, adopted by the main committee of the eighth session of the UN Conference on Trade and Development (commodity [word as received] VIII), the conference noted that since such cooperation could take various forms, particular characteristics and situation of each individual commodity should be taken into account.

The document stressed that substantive negotiations between producers and consumers should be pursued with a view to achieving viable and more efficient international agreements, take into account market trends, or arrangements, as well as study groups.

"In this regard, particular attention should be paid to the agreements on cocoa, coffee, sugar and tropical timber," the final document stressed.

Cooperation among producers and consumers should be strengthened, especially in situations of large stock overhangs, the document said.

It added that countries should have a domestic policy and an institutional environment that encourages diversification and enhance competitiveness, through the modernization and rehabilitation of the corresponding structures, and that recognize the importance of market factors and competition.

The document emphasized that international cooperation should effectively complement and support national commodity policies.

According to the document, international cooperation could take the forms of creation of a more favorable international economic and trading environment, other support in the commodity area and support for national strategies, notably those aimed at a gradual reduction of excessive commodity dependence.

"A favorable external economic environment would greatly enhance international demand for commodities produced by developing countries and would complement and highlight the effect of sound domestic policies," noted the document.

It also called for concerted efforts on the part of developed-country governments and relevant international organizations to support appropriate national commodity policies in developing countries and in countries undergoing transition to a market economy.

Participants to UNCTAD VIII agreed that it was urgent to achieve an improvement in market access conditions for commodities, notably the progressive removal of barriers which restrict imports, particularly from developing countries, of commodity products in primary and processed forms, as well as the substantial and progressive reduction of types of support that induce uncompetitive production, such as production and export subsidies.

It said that improved market access through a successful conclusion to the Uruguay Round will contribute to a favorable international trading environment.

On commodity prices, the document said that its essential that both buyers and sellers have full confidence in the ability of commodity exchanges to form prices which reflect the basic supply/demand situation.

"In this regard, market manipulation, among other things, should be avoided," the document said.

Welcoming the coming into force of the common fund commodities, the document noted that resources of the second account of the common fund should be increased, particularly through the fulfilment of pledges of voluntary contributions.

Every effort should be made to ensure that this account becomes fully operational and benefits in particular the least developed countries and the commodities of interest to developing countries, particularly those of small producers-exporters.

On UNCTAD role in the field of commodities, the document said it should remain the principal forum and continue its efforts to play its mandate role of facilitating the coordination of the activities of all bodies involved in the field.

#### **Finland Forges Diplomatic Ties With CIS States**

*OW2202031292 Beijing XINHUA in English  
0105 GMT 22 Feb 92*

[Text] Helsinki, February 21 (XINHUA)—Finnish President Mauno Koivisto said today his country was establishing diplomatic relations with six more former Soviet republics.

The six countries, all members of the Commonwealth of Independent States (CIS), were Armenia, Azerbaijan, Kyrgyzstan, Moldova, Tajikistan and Uzbekistan, he said.

Helsinki had already forged diplomatic links with Ukraine, Kazakhstan and Belarus on February 7.

### **Education Delegation Leaves for 3 Asian Nations**

*OW2302064392 Beijing XINHUA in English  
0601 GMT 23 Feb 92*

[Text] Kunming, February 23 (XINHUA)—A nine-member Chinese education delegation led by State Councillor and Minister in Charge of the State Education Commission Li Tieying left here by air at noon today on a visit to Laos, India and Sri Lanka.

The delegation will be the guests of the Lao Ministry of Education, Arts, Sports and Youth, the Indian Ministry of Human Resources Development and the Sri Lankan Ministry of Higher Education.

The visit aims to strengthen China's cooperation and exchanges with the three countries in the field of education, sources said.

During the visit, the delegation will hold talks with leading members of the departments concerned of the three countries on matters concerning the development of educational cooperation between China and these countries.

This is the first high-level delegation sent by the Chinese educational department to these three countries over the last few years.

This visit will be of significance to the promotion of the educational exchanges between China and its neighboring countries and to the deepening of the mutual understanding and friendship between their educationists.

### **Protection of Intellectual Property Rights**

*OW2502090492 Beijing BEIJING REVIEW in English  
No 7, 17-23 Feb 92 pp 28-29*

[Article by Chen Jinwu and Lang Guohua: "China Attaches Great Importance to Protecting Intellectual Property Rights"]

[Text] Dr. Arpad Bogsch, Director General of the World Intellectual Property Organization (WIPO), said in an interview that the steps China has taken to protect intellectual property rights are effective and that, in time, the level of protection will be even higher. He also noted that imposing one's own standard of "adequate" protection on other countries runs counter to the international norms that disputes should be settled through equal consultation.

Dr. Bogsch, aged 72, was elected the Director General of the WIPO in 1973, and is a generally acknowledged

authority in the field. Last November, he was interviewed in Beijing during a visit to China.

"I remember that my first visit to China was in November 1979, and just two months later, the Patent Office of China was established. At that time there were barely 100 people working in the office, but now it has soared to a large agency employing more than 1,300 agents," Bogsch said. Regarding China's protection of intellectual property rights, he said, "Every time I come to China, my impression is strengthened that the government attaches great importance to this area."

Bogsch has been to China more than ten times since 1979 and is quite familiar with China's efforts to adequately protect intellectual property rights. China officially put into place the Trademark Law early in 1983 and began to implement the Patent Law in 1985. In September 1990, the government promulgated the Copyright Law, and in 1991, the Regulations on the Protection of Computer Softwares. Recently, a leading group for the protection of intellectual property rights headed by State Councilor Song Jian was also founded. "Patent rights, trademark rights and copyrights are three pillars of the system to protect intellectual property rights. China has now established these systems in a short period. It shows that China's intellectual property rights system has been basically established," said Dr. Bogsch.

By September 1991, the Patent Office of China had accepted over 200,000 applications for patent rights. The total number of applications was among the top 15 countries and in recent years the number of applications has increased annually by 24 percent. Registrations of valid trademark in China are expected to hit 310,000 by the end of 1991, nearly ten times that of 1979. In 1979, there were only some 5,100 overseas trademark registrations from 18 countries and regions but in 1991 the number had increased to over 50,000 from 62 countries and regions.

"It's remarkable China has made such rapid progress in a short time," said Bogsch. "Regarding China's patent system, people from both home and abroad can be confident."

As an authority in the international intellectual property rights field, Bogsch mentioned that in recent years, China, according to the international conventions on the protection of intellectual property rights and following international trend, has made many amendments to the Patent Law, Copyright Law and Trademark Law. It also made great efforts to train professional personnel in the field. "The formal implementation of China's Regulations on the Protection of Computer Softwares is the most important event in the field of intellectual property rights since I first visited China in 1979," said Dr. Bogsch. "Many foreigners consider it as a major step for China's patent works."

As Director General of the World Intellectual Property Organization, which has 134 member states, Bogsch has participated in and organized the signing and revision of

many important international treaties. He noted that China has been active in many international cooperations and that it successively joined in the World Intellectual Property Organization, the Paris Convention for the Protection of Industrial Property and the Madrid Agreement Concerning the International Registration of Trademark. Now it is preparing to actively participate in the Berne Convention for the Protection of Literary and Artistic Works and the Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms, and studying the feasibility of participating in the Patent Co-operation Treaty.

Although China's protection of intellectual property rights has been on the right track for the past few years, Bogsch said that some countries are asking China to raise its level of protection in two ways. First, it should prolong the period of protection for patents from the present 15 years to 20 years and, second, take effective measures to protect patent rights for chemical and pharmaceutical products. Adequate copyrighting is another problem because it is hard for the Western developed countries to accept some Chinese practices on broadcasting copyrights. Actually, the same situation exists in many countries but the developing countries have paid more and more attention to it. Bogsch noted that time is still needed for these countries to reach the standard of Western developed countries.

At present, as sharing of intellectual property rights has become an important component in international economic relations, disputes and disputes have also increased. Bogsch noted that disputes over the intellectual property rights in international trade should be solved through consultation by concerned parties. The patent is a kind of weaponry and the more a country is industrialized the more patents it hopes to export. At the same time, legislation on intellectual property rights relates to a country's sovereignty. Each country has the right to draft laws on intellectual property rights which proceed from its own actual conditions and development objectives. When and how China improves its protection of intellectual property rights is thus up to the Chinese government. The practices of developing countries on the scope, period and means of protecting intellectual property rights should be respected by the international community. A period of transition is necessary for developing countries before they fully join the international integrated system. Imposing one's own standards on other countries or threatening other countries with trade retaliations runs counter to the international conventions for settling disputes through mutual consultation and harms international cooperation and exchange. This is detrimental to both sides.

Bogsch pointed out that China's intellectual property rights circle and the WIPO have good cooperative relations. At first, cooperation between the two sides was limited to sending personnel abroad for training, investigation and international meetings. It then expanded and today Chinese experts are invited to lecture in other

countries and with China's subsidies, some foreign experts come to China to review the systems which are in place. In the early days the WIPO held a nationwide personnel training class in China and now there are jointly organized international and regional symposiums with the cooperation of the Patent Office of China. Textbooks for personnel training and materials for symposiums were jointly published. Now, China publishes regularly the Chinese edition of Patent Cooperation Treaties (PCT), a guide for patent right applications and other relevant books. Gao Lulin, Director of the Patent Office of China, was elected, respectively, in 1988 and 1990 chairman of the Coordination Committee of WIPO and chairman of the Executive Committee of the Paris Convention. He now serves as chairman of the Paris Convention Assembly.

Bogsch expressed the hope that China should participate in two international conventions: the Berne Convention for the Protection of Literary and Artistic Works and the Patent Cooperation Treaty. He said it was not practical for a large country like China to act outside the guidelines of this convention and treaty for a long time.

## United States & Canada

### Bush Eases Controls on Biotechnology Industry

OW2502121792 Beijing XINHUA in English  
1020 GMT 25 Feb 92

[Text] Washington, February 24 (XINHUA)—U.S. President George Bush announced today a government decision to ease federal regulatory control of the biotechnology industry.

The new policy would require federal agencies to prove that a new, genetically engineered product poses an environmental or health risk before asserting its oversight authority.

In his speech at a meeting sponsored by the U.S. Chamber of Commerce, Bush said the policy would help the four billion dollar biotechnology industry to boom to a 50 billion dollar giant.

"The rewards we reap include new medicines, safer ways to clean up hazardous wastes, and a revolution in agriculture," he said.

New techniques were applied in biotechnology to alter genes for the creation of new products in agriculture, medicine, energy, manufacturing and environmental protection.

However, the impact or safety of the genetic engineering techniques are sometimes unproven and therefore could be highly controversial.

While officials in the Bush administration said the policy is meant to smooth the application of adequate biotechnology, environmentalists criticized it as risky.

Douglas Hopkins, a senior attorney with the Environmental Defense Fund, said the new policy is "a little different from allowing chemicals to escape."

"Organisms reproduce," he added, "you can release a few and end up with many millions."

### Report Notes Failure To Stem Cocaine Imports

OW2502122092 Beijing XINHUA in English  
1030 GMT 25 Feb 92

[Text] Washington, February 24 (XINHUA)—The U.S. Government's multi-billion dollar strategy to cut off cocaine shipments to the country has failed, a congressional report said today.

The report by the Democrats of the House Judiciary Crime Subcommittee says that despite a 700 percent jump in government spending over the last decade to cut off drug imports, "there is no evidence that a single street dealer has missed a single sale because he couldn't get his hands on a rock of crack" cocaine.

The report came just two days before U.S. President George Bush's meeting with five Latin American presidents in San Antonio to discuss more specific ways to curb drug supply and production.

The report says that since Bush attended last drug summit with the five Latin American presidents two years ago in Cartagena, Colombia, "the expansion of the drug trade throughout South and Central America has proceeded apace."

"By any objective standard, the President's Andean initiative has failed in several critical respects," the report notes.

It says efforts to eliminate coca growing in Peru, Colombia and Bolivia have failed to cut down cocaine production and shipment to the United States. Coca processing, once primarily in Colombia, is now suspected in six other nations, it adds.

"Venezuela has become a significant coca grower, while refining labs have been established in Ecuador, Chile, Brazil and Venezuela," the report says.

The report cites the Bush administration's estimates that cocaine production increased from 836 metric tons in 1989 to 970 metric tons in 1991.

But the U.S. Government has proclaimed that it is winning the drug war. It says cocaine use is down 35 percent on the whole and 63 percent among young people since 1988 and the percentage of students who approve cocaine use has dropped by 47 percent.

### Article Views U.S. New 'Global Strategy'

HK2202045592 Beijing SHIJIE ZHISHI in Chinese  
No 1, 1 Jan 92 pp 8-9

[Article by Wang Jisi (3769 4874 4424): "United States' New Global Strategy Begins To Develop"]

[Text] The rapid disintegration of the cold war pattern went beyond the expectations of the West and cause an idea vacuum in the global strategy of the United States. In the wake of the two major events of the Gulf war and the dissolution of the Soviet Union, the United States adjusted its global strategy. Now, its new strategy for dealing with the changeable world situation in the post-cold-war period is gradually taking shape.

### Bush Selects "Globalism"

The development of the new strategy is based on the reassessment of its own strength. For this purpose, a major debate on whether the United States is on the decline was conducted by the opinion media. Most commentators held that the comprehensive evaluation of the political, economic, and military situation showed that the United States would still be able to maintain the "world's number one" status by the end of this century. The mainstream faction of the U.S. political circles held that the multipolar world pattern was still far from taking shape. Japan and Germany are at most "single-item champions" and regional powers. However, the strength of the United States is declining, and its influence in the Western world is getting weaker. This is a fact generally acknowledged by public opinion in the United States.

Corresponding to the two-sided appraisal, on the one hand, the Bush administration continued to advocate "globalism"; on the other hand, the trend of "new isolationism" that called for boosting the domestic economy and dealing with domestic problems was also on the rise.

Proceeding from "globalism," the Bush administration stressed that domestic and international issues are inseparable. First, the post-cold-war world is not peaceful for the United States. Second, one of the United States' main methods of overcoming its domestic economic recession is to open overseas markets. Third, such domestic problems as drug-taking, crime, environmental protection, AIDS, and ethical relations are all related to international issues to various degrees. Therefore, the Bush administration said that the attempt to isolate the United States from the world is "stupid." In Zbigniew Brzezinski's words, the United States must seek a balance between the three sides of continuing to fulfill its global commitments, reducing its security commitments in some regions, and promoting domestic prosperity.

### Limited Degree of Strategic Cuts

In general, since the Soviet threats disappeared, the United States has been undergoing a limited degree of

strategic cut. Under the premise of guaranteeing its capacity of rapid reactions against major regional conflicts, the United States will cut down on its military budget by a substantial margin, scrap a large quantity of outmoded nuclear weapons, and reduce its overseas military presence in a planned way. In the future, the U.S. overseas military presence will be aimed at coping with such emergencies as the Gulf crisis and maintaining its political influence.

After the disintegration of the Warsaw Pact, the United States decided to withdraw its forces from Europe. However, Europe will remain the primary strategic key point for the United States in terms of military security. At present, the most urgent security issue for the United States is to prevent the military apparatus of the former Soviet Union from going out of control. Baker visited the former Soviet Union for this purpose. The pace of the U.S. force withdrawal from Europe will also be mainly contingent on the speed of the disintegration of the ex-Soviet military apparatus as well as the process of the European defense integration.

In the Asia-Pacific region, with the relaxation of the situation on the Korean peninsula, the United States will also gradually withdraw its forces there. However, as the huge military force of the former Soviet Union in the Far East still exists and the regional arms race in Asia-Pacific is quietly escalating, the U.S. strategists will not feel completely relieved when facing this situation.

The United States has major strategic interests in the Middle East region, and will maintain the posture of carrying out military interference there at any time. The strategic importance of Africa and South Asia is on the decrease. For the Latin American countries, the main goal of the United States is to promote their economic integration and political democratization according to the Western model.

#### **Expanding Connotation of Security Concept**

In the cold war period, the United States considered that the threats to its security mainly came from the Soviet Union. However, after the rival of the Soviet Union disappeared, the Americans did not think that all threats to their security had disappeared; instead, they thought that the main source of the threats to their security shifted, so the connotation of the security concept for the United States was expanded.

At present, in the minds of U.S. leaders, the turbulence and unrest in some regions caused by the imbalance of strength in the world have become the main source of threats to U.S. security. The regional instability may bring about various problems, such as nuclear proliferation, arms sales that exceed control, international terrorist activities, drug trafficking, environmental pollution, and refugees. They have all become problems affecting the U.S. security. With the expansion of the connotation of national security, the United States

tended to comprehensively use the political, economic, and military means to deal with the threats to its security.

In the aspect of ideology, the United States feels that the main threats come from the anti-U.S. nationalist emotion and the religious ideology of Islam. At present, various nationalist ideologies and movements are on the rise. The religious ideology of Islam is also spreading and tenaciously resisting Western values. Nationalism is also on the rise in Japan and Germany, and this has aroused vigilance in the United States. In particular, the nationalist emotions of rejecting each other and being suspicious and jealous of each other are rising between the United States and Japan along with the intensification of their economic frictions. However, the Western nations share similar values and have got more interdependent economically, and they are also facing the same security threats on the whole. Once a new regional conflict or crisis arises, they will still coordinate their position and action.

It should be pointed out that the guiding principle of the United States for its foreign policy always combines its security and economic interests with the ideological factor. For the United States, the three sides are inseparable.

#### **Making Additions to Contents of "New World Order"**

According to statistics, during the Gulf crisis, Bush mentioned the term "new world order" 42 times in his speeches. However, at the very beginning of using this catchword, the Bush administration did not completely define the concept or have the concrete idea about the details of the "new world order." It was criticized and satirized by domestic and foreign opinion. In a certain period, it could not stop mentioning this term. In the last few months, the United States toned down its advocating of the "new order," but quietly solidified its contents.

A global strategic conception of the United States is to make the United States lead the American continent, to make Japan play a key role in the Asia-Pacific region, and to make Germany the most important force in Europe, thus forming a tripod with America as the main trunk, because only the United States is a superpower that extends across three continents. In the future, it will be the most difficult issue in U.S. diplomacy to find a proper way to maintain close multilateral cooperative relations with Japan and Europe while continuing to exercise political domination over them and making these countries undertake greater risks and commitments. The existence of such fixed allied relations as those formed by the NATO and the U.S.-Japanese Security Treaty will become more and more useless and meaningless. In the future international crises, the United States will strive to build up such loosely formed alliances as that during the Gulf war for dealing with some immediate and concrete events.

### Arbitrating in Regional Conflicts

The United States is aware that it has no ability to play a role as the "world police" alone, but it still wants to play a role as a "judge" so it can assume a transcendent position to arbitrate various regional frictions and conflicts. In Europe, the United States is trying to play the game of balance between various European countries, and it does not support Germany's attempt to become particularly strong among other European nations. Former U.S. Secretary of State Vance is carrying out mediation between the conflicting sides in Yugoslavia in the capacity of UN representative. In the Asia-Pacific region, the Untied States is trying to "maintain the balance of strength" between Japan an other countries that keep a wary eye on Japan. In the Middle East, the United States continues to mediate between Israel and the Arab countries and tries to increase its say. Such characteristic has also appeared in the United States' intervention in the internal affairs of other countries. That is, the United States has attached greater importance to coming into contacts with different factions in the ruling and opposition position in order to increase its adaptability.

### Formulating Rules, Regulations for New Order

Another important aspect of the new U.S. strategic conception is to attach greater importance to the role of the United Nations and other international organizations, thus seeking legal foundation and the support of the majority for its international behavior. Inside various international mechanisms, the Untied States are trying hard to formulate "game rules" for the competition in the political, economic, military, and technological fields by adding the rules favorable to U.S. interests to various multilateral resolutions and regulations in order to constrain other nations. For example, in the Uruguay Round of the GATT talks, the United States proposed the adoption of rules for removing the trade barriers on farm products and protecting intellectual property. In the International Monetary Fund and the World Bank, the United Sates demanded that the debt problem be mitigated under the precondition of carrying out economic reform in the developing debtor countries and opening their markets, and this was aimed at disarraying the planned economy and state-run industry in those countries. At the summit meetings of the Western nations and at the Asia-Pacific Economic Cooperation Conference, the United States stressed the principle of opposing the founding of exclusive regional trade blocs. In the Coordinating Committee for Export Control, the United States formulated a series of rules on controlling the export of technology by relaxing the control of technology exports to the East European countries and more strictly preventing the spread of high technology related to the development and production of weapons of mass destruction to the Middle East region.

All this showed that the United States tried to formulate rules and adopt regulations for the "new world order" it advocated. Its basic idea is that with the adoption of an

open market economy in various countries, it will eventually lead to the realization of the Western-style democratization; and there will be no fundamental interest conflicts between "democratic countries." Therefore, the global economic integration and the development of the "democratic trend" in the world are regarded as the fundamental way to eliminate the threats against the U.S. security.

### American People's Doubt

With the collapse of the bipolar pattern, the United States has become the "sole superpower," and this seems conducive to the spread of the above-mentioned American values in the whole world. However, the United States is faced with formidable obstacles in its attempt to dominate the world order. Not only its strength fails it, but it is also faced with the opposition of many countries. Even many American people doubt the tenability of the basic idea. Since the U.S. Government does not have a clear idea for solving its own domestic problems in economic efficiency, in the social security system, in social justice, in morality and belief, and in education: how can it use a whole set of values to transform the world? John Lewis Gaddis, a famous American historian on diplomatic history, recently wrote an essay, saying that after the basic settlement of the East-West conflicts, the worldwide competition will mainly find expression in the realignment and division of various contradictions. In the course of realignment and division, various forces in the world, some regional realignments may lead to division in the global sphere, and some regional division may lead to a new global realignment. If the United States tries to use its values to rearrange the world order and regards this as a kind of progress, then it will be an idea as narrow-minded as national separatism, because this is only in line with the interests of some people. If the global economic integration indeed takes form as the United States advocates, with all commodities (including weapons), capital, and labor force being able to circulate freely across national frontiers without restraint, then even the United States itself would not welcome it.

### New Strategy Not Yet Finalized

The United States' new global strategy is still immature. The rise of trade protectionism and new isolationism is challenging the new global strategy based on "globalism." At present, the factor that most directly affects international stability is the uncertainty in the changeable political situation of the former Soviet Union. As long as the division and realignment of the former Soviet Union are not clearly solved, the United States will not be able to fix its strategic posture. The policy differences between the Western nations over the Yugoslav civil war show that it is very difficult for the United States to again interfere in regional conflicts in light of the model of the Gulf war. In the long run, the main international factor should determine the U.S. global strategy will

gradually shift from the Soviet issue to the issue of how to coordinate relations between the Western countries in their competition.

### Central Eurasia

#### Government Protests Taiwan Consulate in Latvia

##### Embassy Closes, Staff Departs

*OW2502044192 Beijing XINHUA in English  
0346 GMT 25 Feb 92*

[Text] Moscow, February 24 (XINHUA)—Charge d'affaires ad interim of the Chinese Embassy in Latvia Chen Di met director of the Political Department of the Latvian Foreign Ministry Varuyev today to make serious representations about the opening of a Taiwan general consulate [as received] in Riga.

According to Latvian official sources, Taiwan has opened its general consulate in Riga, the capital of Latvia.

Chen pointed out that Latvia has committed a series of mistakes on the Taiwan issue, completely violating its commitments in the Sino-Latvian joint communique on the establishment of diplomatic relations and gravely undermining the Sino-Latvian relations and the friendship between the two peoples. Therefore, the Chinese Government has decided to temporarily close its embassy in Latvia.

Chen said he hopes that the Latvian side would set great store by the maintenance of the relations between the two countries and the friendship between the two peoples and would earnestly redress their erroneous practices on the Taiwan issue so as to restore the normal development of Sino-Latvia relations.

Chen and the other embassy staff left Riga tonight.

##### Spokesman Announces Withdrawal

*OW2502042792 Beijing XINHUA in English  
0350 GMT 25 Feb 92*

[Text] Beijing, February 25 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that the Chinese Government has decided to withdraw its embassy from Latvia for the time being, in view of the fact that the Latvian side went so far as to permit the Taiwan authorities to open their so-called "consulate-general" in Riga.

The spokesman said in a statement that on January 29, 1992, the Republic of Latvia and the Taiwan authorities signed a joint declaration on the so-called "establishment of consular relations."

The Chinese side had made solemn representations to the Latvian side on this matter, pointing out that in making this move, the Latvian side violated the commitment it had explicitly made on the question of Taiwan in

the joint communique on the establishment of the diplomatic relations between China and Latvia, which constitutes a serious damage of the Sino-Latvian relations and the friendship between the two peoples, and demanding that the Latvian side reverse its wrongful doing on the question of Taiwan, the spokesman said.

"However, in disregard of the solemn and just stand of the Chinese side, the Latvian side went so far as to permit the Taiwan authorities to open their so-called 'consulate-general' in Riga, further impairing the relations between China and Latvia and the friendship between the two peoples. Under these circumstances, the Chinese Government has decided to withdraw the Embassy of the People's Republic of China from Latvia for the time being," he said.

The spokesman said, "It must be pointed out that giving no consideration to the overall interests of the Chinese nation, the Taiwan authorities have been bent on creating 'dual recognition' and 'two Chinas,' against the will and the fundamental interests of the entire Chinese people including their Taiwan compatriots."

"The Chinese Government reiterates its hope the Latvian side will, setting store by the interests of the Latvian people, treasure the China-Latvia relations and the friendship between the two peoples, and reconsider and reverse its wrongful approach and action on the question of Taiwan, so as to bring the relations between the two countries back to the track of normal development," he said.

#### Russian Official Calls for Increased Aid

*OW2502033892 Beijing XINHUA in English  
0305 GMT 25 Feb 92*

[Text] Washington, February 24 (XINHUA)—A senior Russian official today appealed for more humanitarian assistance from abroad to help overcome the economic difficulties faced by his country.

"We really need humanitarian and technical assistance," said Aleksandr A. Zhitnikov, deputy chairman of the Russian Federation Government Commission for International Aid and Assistance [as received].

Speaking at a press conference here, Zhitnikov complained that Russia has received "less humanitarian assistance than we are hoping."

The world community has provided 81.5 billion dollars in various kinds of assistance to the former Soviet Union, including 3.2 billion dollars of food and medical grants.

Zhitnikov said that his government has identified 31 areas in Russia which are most in need of food assistance and they include all major industrial regions and cities of more than one million people.

He estimated that 60 million Russians are "in real difficulty" and mentioned in particular pensioners, invalids, families with many children, refugees and homeless.

Zhitnikov, on a tour in the United States to seek more aid from the United States, had met with officials in Agriculture and State departments who are involved in the humanitarian aid efforts.

#### **Yeltsin Appoints Vice Prime Minister**

*OW2502003292 Beijing XINHUA in English  
2216 GMT 24 Feb 92*

[Text] Moscow, February 24 (XINHUA)—Russian President Boris Yeltsin has appointed Mikhail Poltoranin a vice prime minister of the Russian Federation Government.

The decree on the appointment was published in today's *IZVESTIYA* newspaper.

Mikhail Poltoranin was the minister of press and information of Russia.

#### **Russia Criticizes Estonian Policy on War Criminals**

*OW2502033792 Beijing XINHUA in English  
0252 GMT 25 Feb 92*

[Text] Moscow, February 24 (XINHUA)—A Russian Foreign Ministry official today criticized Estonia for rehabilitating criminals convicted of having cooperated with the nazis during World War II.

A spokesman for the ministry, Vitaliy Churkin, said at a news conference that it was unfair not only to the victims of nazism but also to those who were illegally convicted because now they would have to rehabilitate themselves along with the real criminals.

Churkin, who was talking about a law recently passed by the Estonian parliament, said that among those who would be rehabilitated could be some people who were genuinely innocent. But there would be others guilty of slaughter and other heinous crimes during the war.

After World War II, courts of the former Soviet Union convicted many Estonians for allegedly cooperating with the fascists.

#### **'Roundup' Questions Prospects for CIS**

*OW2102142492 Beijing XINHUA Domestic Service  
in Chinese 1025 GMT 21 Feb 92*

[Roundup by XINHUA reporter Wan Chengcui (8001 2052 2088): "Future of Commonwealth of Independent States Remains Unclear"]

[Text] Moscow, 20 February (XINHUA)—The Commonwealth of Independent States [CIS]—composed of 11 republics of the former Soviet Union—has been formed into an economic union like the EC or into a military alliance like NATO.

Second, conflicts flared up shortly after the CIS summit meetings concluded several dozen agreements. It is because many of those agreements spell out only vague principles, lack substance, and do not contain any mechanisms for overseeing implementational efforts.

—Russia's sweeping price liberalization on 2 January has triggered an "economic war" within the CIS, prompting member states to erect barriers to restrict the outflow of commodities. Ukraine even issued an "coupon" which functions in part as a currency.

—Ukraine's formal move on 3 January to create its own armed forces has sparked fierce debate about the option of maintaining a unified military or allowing the member states to form their own armed forces. Basically, two camps are currently contesting the military issue on opposite sides, with Ukraine, Moldova, and Azerbaijan working persistently to form their own armed forces and Russia, Kazakhstan, and others calling for maintaining a unified military.

—The 11 January breakdown of talks between Russia and Ukraine on the ownership of the Black Sea Fleet has left the fleet's destiny unclear.

—The Russian parliament's 23 January adoption of a resolution demanding a re-examination of Crimea's status has triggered intense disputes between Russia and Ukraine.

—In contrast to the war of words between Ukraine and Russia, the conflict between Azerbaijan and Armenia over the Nagorno-Karabakh region has escalated into a spiraling bloodbath.

Observers here, however, point to a desire signaled by the member states to solve disputes by peaceful means, in spite of their fierce debates about various issues. After the Minsk summit meeting on 14 February, Belarussian leader Shushkevich said: Without the CIS, nobody can survive. It is because the "diseases afflicting the CIS member states are similar, and they can only be cured effectively through joint action." Such observations are based on practical considerations. The "16th republic" of the former Soviet Union—the military-industrial establishment made up of approximately 4 million troops and 30 million members—is a real power possessing one of the world's largest arsenals. If not properly settled, this matter will produce very serious consequences. Aware of this prospect, leaders of the 11 member states have decided to hold another meeting on 20 March to discuss military issues. The member states are facing such common problems as political instability, falling production, price rises, and popular discontent, and they are linked by economic ties that cannot be severed in the foreseeable future.

For this reason, they will again sit down at the negotiating table in spite of their many disputes.

Will the CIS continue to remain in existence for a protracted period? Observers here say that this prospect will be decided by the following factors: whether the member states can truly accord each other equal treatment in their relations, whether they can achieve

equality and mutual benefit in their economic and trade relations, whether they can really refrain from using armed force or armed deterrents in solving military issues, whether they truly respect their existing boundaries in dealing with territorial issues, and whether they can genuinely implement the agreements they have concluded. Their future actions will provide the answers to the above questions.

### **Gorbachev To Visit United States in May**

*OW2502001992 Beijing XINHUA in English  
2249 GMT 24 Feb 92*

[Text] Washington, February 24 (XINHUA)—Mikhail Gorbachev, former head of the now-defunct Soviet Union, will pay a 16-day visit to the United States in May, it was reported today.

Gorbachev and his wife, Raisa, will start on May 1 the seven-city tour which includes Los Angeles, San Francisco, Chicago, Houston, New York, Washington, D.C. and Atlanta, the ASSOCIATED PRESS said.

The tour was arranged by Gorbachev Foundation-USA, a San Francisco-based organization and former U.S. President Ronald Reagan will serve as honorary chairman of the visit.

This will be Gorbachev's first visit to the United States since he stepped down at the end of last year as president of the Soviet Union.

### **Northeast Asia**

#### **Commentaries View Korean Reconciliation Accord**

##### **Seen To Accelerate Reunification**

*SK2402225292 Beijing Radio Beijing in Korean  
1100 GMT 22 Feb 92*

[Station commentary: "The Korean Peninsula Has Entered a New Stage of Reconciliation"]

[Text] In the sixth round of North-South Korean high-level talks held on 19 February in Pyongyang, Yon Hyong-muk, premier of the North side, and Chong Won-sik, prime minister of the South side, exchanged the texts of the North-South Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange and formally declared the historic document effective.

This major success in the North-South high-level talks will contribute, without fail, to accelerating reconciliation and cooperation between the North and South even further, easing tensions on the Korean peninsula and bringing about stability there.

At the talks, Premier Yon Hyong-muk said that the adoption of the agreement and the declaration putting it into effect is an epoch-making event and represents historic progress on the road to reunification.

The South side's Prime Minister Chong Won-sik said: We have now brought an end to the age of hostility and confrontation and have opened a new age of reconciliation and cooperation, an age that is full of hopes and bright prospects.

Ever since they were divided, North and South Korea have remained in a state of confrontation, regarding the other side with hostility. In the 20-year history of dialogue, North and South Korea saw no basic improvement in their relations. Upon witnessing changes in the situation on the Korean peninsula itself and in neighboring areas, the North and South actively promoted the high-level talks based on their careful observation of the changing situation. Finally, not only did they produce a breakthrough in such areas as reconciliation, nonaggression, and cooperation and exchange after mutual concessions, but they also had their premiers adopt a North-South agreement on 13 December last year. The effectuation of the agreement was fruition of the joint effort exerted by the North and South, as well as a summation of the entire Korean people's unanimous will.

For nearly half a century, the North and South have remained divided and in confrontation with one another. All the Korean people have suffered indescribable misfortune, have had their hearts broken, and have incurred enormous humanitarian and material losses. Because of their mutual distrust and watchfulness, the situation on the Korean peninsula has been strained and in a constant state of confrontation. This has influenced peace and stability in Asia and the world at large.

With the North-South agreement in effect, the North and South have now opened an excellent opportunity to put the past behind them and advance together toward the future.

The fact that the two sides have brought an end to the confrontation and have realized reconciliation no doubt will open a dazzling vista for peace on the Korean peninsula. This is in complete conformity with the desire of the people in the North and South who hope for peace, cooperation, and welfare.

With the North-South agreement put into effect, the Korean peninsula can be said to have vigorously taken a giant step toward peace.

The two sides face a heavy and complicated task in implementing the agreement. Through three subcommittees, three joint committees, and a nuclear control committee—which will be established in the near future—the two sides are supposed to do such things as reconcile their political differences, pledge not to invade the other side militarily, promote cooperation and exchange in various areas, and denuclearize the Korean peninsula. In addition to putting the agreement into effect, the two sides are also supposed to deal with such major questions as replacing the armistice system with a peace system and withdrawing U.S. troops from South Korea.

At the latest round of the high-level talks, the North and South revealed their desire to sincerely implement the agreement.

Premier Yon Hyong-muk said that he will see to it that the agreement is substantially translated into action in conformity with the national faith treasured by the two sides and based on the two sides' sincere efforts.

Prime Minister Chong Won-sik said that the South and North should substantially implement the agreement and never go back to the age of tension and confrontation under any circumstances.

To have the agreement implemented substantially, it is imperative that the two sides make serious efforts.

North and South Korea have different social systems and have great differences in their history and realities. Also, there is a possibility that the North and South will encounter difficulties, twists, and turns in effecting the agreement. The North and South, however, can remove the obstacles from the path on which they advance only if they can amplify the nation's consciousness of independence and realize great national unity by overcoming the differences in ideology and systems.

The currents moving toward reconciliation and peace on the Korean peninsula will lead to Korea's reunification without fail.

#### Journal Reviews Peace Process

HK2402095592 Beijing SHIJIE ZHISHI in Chinese  
No 2, 16 Jan 92 pp 9-10

[Article by Zhang Zhongyi (1728 1813 5030); "Korean Peninsula Moves Toward Reconciliation"]

[Text] On the Korean Peninsula, 1991 has been an unforgettable year for the DPRK and the ROK, two countries which have separated for over 40 years. First, both joined the United Nations, injecting new vigor into easing the situation in the peninsula. Thereafter, on 13 December 1991, the fifth round of premier-level talks in Seoul ended with signing the "Agreement on Reconciliation, Mutual Nonaggression, and Exchange and Cooperation Between North and South Korea," which promised a better direction for development of the situation in the Korean Peninsula in the new year.

In North Korea, comments said that the signing of the agreement "is a turning point in the process of Korea's reunification," and that "it creates a bright prospects for future talks." The ROK side says the agreement "is of epoch-making significance" and "is a landmark." These comments are not exaggerated. Although North and South Korea have held talks at various levels since the 1970's, the talks were on and off and rarely made any breakthroughs.

In 1990, the first three rounds of premier-level talks yielded no results when the DPRK said first of all they must sign an agreement on mutual nonaggression and

the ROK insisted on signing an agreement on cooperation and exchange first; both sides adhered to their own stands and condemned the other side. At the fourth round of premier-level talks in October 1991, "for the first time in a harmonious atmosphere," both sides reached consensus on signing the "Agreement on Reconciliation, Mutual Nonaggression, and Exchange and Cooperation Between North and South Korea." A commentary said the fourth round of premier-level talks was the "real beginning" of reconciliation between the two sides. Thereafter, the situation developed very rapidly. Less than two months after the "real beginning," both sides officially signed the abovementioned agreement. This encouraging progress was obviously linked to the decisive changes in the situation in the Korean Peninsula which took place last year.

Along with the eased international situation, the international community called for improved relations between North and South Korea with a louder voice. One after another, the world's flash points changed from confrontation to dialogue and consultation, a trend which pushed the two sides in Korea onto the road of reconciliation. Although the premier-level talks in early 1991 were stopped because South Korea conducted joint military exercises with the United States, the easing trend on the Korean Peninsula continued. The multi-level and multichannel cultural and sports exchanges and interactions between both sides increased rather than decreased. In the area of the economy, up to November 1991, the direct and indirect trade volume between the two sides reached \$170 million, a 900 percent increase over the same period in 1990.

In September 1991, both Koreas joined the United Nations simultaneously. This not only solved a problem which had remained unsolved between them for 40 years but also expanded the channel for dialogue and cooperation between them. It also allowed them to develop their respective domains for diplomacy and international exchanges. Relations developed from mutual non-recognition to tolerant coexistence in the big international family, creating a good atmosphere for resuming the fourth round of premier-level talks and for making a breakthrough in the fifth round of talks.

Both sides have their own actual needs and this was an important reason for the achievement made at the fifth round of premier-level talks. The North has insisted on peaceful reunification at its own discretion. The long-term military confrontation has not only hindered realization of this goal but also affected economic development in the North. An end to the military confrontation as soon as possible is undoubtedly beneficial to construction undertakings in the North. The South also wanted to improve relations to promote economic development and to develop diplomatic activities. At the same time, South Korea is entering the election season and parliamentary and presidential elections are very near. The ruling Democratic Liberal Party faces a sliding economy, continuous political scandals, and growing discontent among the people, and it urgently needs to improve

relations with the North side to gain election capital and improve its reputation. In addition, public opinion holds that, through several rounds of talks, both sides have enhanced understanding and, on this basis, they have established a spirit of mutual understanding, mutual concession, and compromise. This was also the indispensable condition for the success of the fifth round of talks.

The "Agreement on Reconciliation, Mutual Nonaggression, and Cooperation and Exchange Between North and South Korea" was the first framework document signed during the fifth round of premier-level talks in the 46 years of Korean separation. If we say that the "Joint North-South Declaration of 4 July," which was signed by both sides in 1972, only served to elaborate the three principles of self-determination, peaceful reunification, and national unity, then the agreement this time proposed more concrete and substantive contents.

In the agreement, both sides guaranteed that they will recognize and respect each other's systems, cease all hostile activities, strive to change the truce situation into a peace situation, and set up a liaison office in Panmunjom; both sides also guaranteed that one will not use force against the other, refrain from using force to invade the other side, and adopt trust measures such as setting up a direct telephone line between the military authorities; both said they will define their own alert line and administrative domain; and both agreed to carry out exchanges and cooperation in various spheres, allow separated relatives to communicate with and visit each other, and establish land, sea, and air routes. Both sides also agreed that after the agreement has been in effect for three months, they will establish a variety of joint committees to implement the contents of the agreement.

If the abovementioned agreement is implemented, it will completely eliminate confrontation between North and South, create an unprecedented situation of easing relations between the two sides, and further form a stable and peaceful new environment in northeast Asia. This will also play a positive role in fostering prosperity and development in the countries in the region.

Signing the agreement will also promote dialogue, exchanges, and cooperation at various levels and in various fields between North and South Korea. On 26 December 1991, the North Korean Supreme People's Assembly Standing Committee approved the agreement; both the civil and government sectors in South Korea showed great enthusiasm toward the agreement and formulated their own plans and concepts for exchanges and cooperation. In the area of economy, the North possesses rich resources and manpower and the South has good technology and capital. Through exchanges and cooperation, this kind of economic reciprocity between the two sides will certainly stimulate economic developments on both sides greatly. At present, North Korea is planning to set up an economic and trade zone in Hamgyong-bukto, and South Korean industrialists and businessmen are very interested in it.

President Kim Il-song and President No Tae-u have said many times that they want a summit meeting as soon as possible. Along with the signing and implementation of the agreement and the increasing exchanges and cooperation between the North and South, the time will soon be ripe for a summit meeting, thus promoting the process of reunification in the Korean Peninsula.

In addition, the signing of the agreement enables relations between the North and South to progress and also prevents big powers from intervening in the Korean issue; it is beneficial to safeguarding the interest of the whole Korean nation.

The more than 40-year separation has created great differences between the North and South in politics, social systems, cultural environments, and ideologies. When implementing the agreement, it will be a difficult process for both sides to continue to reduce differences, expand consensus, and enable the treaties in the agreement to be carried out.

The international community earnestly hopes to see the attainment of peace and stability in the Korean Peninsula.

## Southeast Asia & Pacific

### Vice Premier Zhu Continues Visit to New Zealand

#### Urge Chinese Students To Return

*OW2102121792 Beijing XINHUA Domestic Service in Chinese 1326 GMT 19 Feb 92*

[By reporter Lu Xiuzhu (0712 4423 3796)]

[Text] Wellington, 19 February (XINHUA)—In a meeting with representatives of Chinese students in New Zealand at the Chinese Embassy this evening, Zhu Rongji, vice premier of the State Council currently on a visit to New Zealand, urged them to study harder and to serve their motherland after completing their studies.

Zhu Rongji said to the students: The motherland is expecting your return. We are hoping that you will bring back advanced science and technology and make contributions to the nation's economic construction. He said: Science and technology is the primary productive force in the country's socialist construction.

Vice Premier Zhu Rongji briefed the students on the domestic situation. He said: The motherland currently enjoys political and social stability. Last year, it basically completed the task of improving the economic environment and rectifying economic order. Vigorous internal restructuring has gradually moved our country's national economy onto the track of normal development. He said: In the future, the country will accelerate its drive for reform and opening and will expand the scope of these activities.

Vice Premier Zhu praised the students' industrious spirit and conveyed regards from the State Education Commission. In return, the student representatives expressed their thanks for the government's concern and indicated that they would never disappoint the motherland and the people.

### Invites Entrepreneurs To Invest

OW2102133292 Beijing XINHUA in English  
1317 GMT 21 Feb 92

[Text] Auckland, New Zealand, February 21 (XINHUA)—The Chinese Government welcomes people from New Zealand and the rest of the world to "go gold-rush" in China, said Chinese Vice-Premier Zhu Rongji today.

Zhu used the metaphor to encourage business people to invest in China at a discussion with noted New Zealand entrepreneurs on the last day of his five-day official visit to the country.

Chinese were among the first group of immigrants to New Zealand 150 years ago, mainly for gold-rush.

China, with its large population of 1.1 billion, is the most ideal market in which "gold-rush people" will take the advantage to make money, Zhu said.

"Gold-rush" in China, or doing business and strengthening economic cooperation with China, does not mean just bilateral trade, and it also involves technical cooperation in the form of running joint ventures and direct investment in each other, Zhu said.

Trade is still important, but trade should always be "two-way" trade, Vice-Premier Zhu said. In this sense, he suggested New Zealand import more electrical and machinery products from China to make it more possible for China to import more wool from New Zealand.

The quality of China's electrical and machinery products has been always on a par with that in Western developed countries, and the advantage is that the prices of China's products are more reasonable due to cheap labor in the country, he said.

Zhu also encouraged foreign investors to put their investment in China's textile industry together with their technology. China is a country with mammoth textile products. However, he said, to meet the needs of the international markets, its products need to be diversified and the quality is yet to be upgraded.

He said foreign investment should not be limited to the six "economic zones" including the latest one in Pudong, Shanghai of China, but should be extended to inland provinces where foreign investors can equally find out proper partners.

The discussion took place immediately following Zhu's arrival in Auckland from Wellington this morning by a Royal New Zealand Air Force plane.

A luncheon was hosted by the New Zealand-China Trade Association in honor of the vice-premier.

The vice-premier visited in the afternoon Fisher and Parkel Ltd, one of New Zealand's largest enterprises specializing in electrical appliances manufacturing. Fisher and Parkel has established a joint venture in China.

Chinese community organizations in Auckland hosted a banquet for the vice-premier and the official delegation led by him in the evening.

### Interviewed on Relations

OW2202070292 Beijing XINHUA in English  
0534 GMT 22 Feb 92

[Text] Auckland (New Zealand), February 22 (XINHUA)—The relations between China and New Zealand could be a model of friendly-co-existence between countries with different social systems.

This was stated by Chinese Vice Premier Zhu Rongji in an exclusive interview with XINHUA today.

Zhu left here this afternoon for home via Hong Kong after winding up his five-day official visit to New Zealand.

"A long-term, stable and friendly cooperative relation based on mutual respect, non-interference and mutual benefit could become a model of friendly coexistence between countries with different social systems," Zhu told XINHUA at Auckland Airport.

Such a relation between the two countries could also exert positive impact on peace, stability and development in the Asian-Pacific region, the vice premier noted.

Though China and New Zealand are of different social systems, there has been no grievances left over from history, nor conflicts of fundamental interests, nor outstanding and catchy issues to be tackled between them, Zhu explained.

The Sino-New Zealand relationships are featured by "friendliness, stability and being practical" as both the countries share common interest and views in advancing the progress of peace and development in the current world.

Both the countries see it a must to maintain a peaceful international environment to develop their economies to the benefit of their people, thus eagerly desiring for strengthening and expanding trade and economic cooperation, Zhu said.

The past five days in New Zealand saw Zhu meeting New Zealand's top leaders and extensive contacts with local government officials as well as business people and people from all walks of life. The meetings with New Zealand Governor-General Catherine Tizard, Prime Minister Jim Bolger and the talks between Zhu and Deputy Prime Minister Don McKinnon would be of

important significance to accelerating the development of political relations between the two countries.

Zhu described his visit, though short, as "quite fruitful and successful, attaining the anticipated goal of enhancing mutual understanding, reinforcing mutual confidence and promoting friendly cooperation."

The economies of the two countries are strongly complementary, promising great potential and prospects in upgrading economic and technological cooperation, Zhu said suggesting that the two countries could further cooperate in agriculture, horticulture, forestry, geo-thermal development and earthquake science studies in addition to diary products processing.

Zhu believed the cooperation between two countries could be further widened along with China's speeded-up reforms and opening to the outside world and the gradual shift of New Zealand's trade focus to the Asian-Pacific region.

### **Visits Pilot Training Facility**

*OW2202130692 Beijing XINHUA in English  
1233 GMT 22 Feb 92*

[Text] Auckland, February 22 (XINHUA)—The Air New Zealand training center here has helped Air China and other airlines train more than 200 pilots with its simulators, James G. Morris, head of flight operations in the training centre, said today.

He said that this year about 350 pilots from Air China, the China Southern Airlines and Xiamen Airlines will come here to be trained under a contract recently signed.

Chinese Vice-Premier Zhu Rongji visited the center this afternoon before returning home.

Captain Bryan S. Wyness, manager of flight operations, told XINHUA today that the 350 Chinese pilots to be trained in the center are among the 1,700 pilots overseas to be trained in the center this year. The pilots are to be trained to fly either Boeing 747-200 or 747-400.

The center has so far helped train pilots also from 10 other overseas airlines, namely Air Nauru, Aloha Airlines, Aramco, Dragonair, Merpati, Pakistan Airlines, the Royal Thai Air Force and Thai Airways, Sempati, and Solomon Airlines.

### **Returns to Beijing 24 Feb**

*OW2402092792 Beijing XINHUA in English  
0857 GMT 24 Feb 92*

[Text] Beijing, February 24 (XINHUA)—Chinese Vice Premier Zhu Rongji and his party returned here this afternoon after an official good-will visit to Australia and New Zealand.

Zhu was greeted at the airport by Luo Gan, secretary general of the State Council; Qi Huaiyuan, director of the Foreign Affairs Office of the State Council and

charges d'affaires ad interim of the Australian and New Zealand embassies in Beijing.

### **Indonesia Signs Information Cooperation Accord**

*OW2402135592 Beijing XINHUA in English  
1138 GMT 24 Feb 92*

[Text] Jakarta, February 24 (Xinhua)—China and Indonesia pledged to further expand the cooperation in the field of information in a memorandum of understanding signed here today.

The memorandum, which was signed by Chinese Minister of Radio, Film and Television Ai Zhisheng, and Minister of Information of Indonesia Harmoko, says that the two governments agreed to exchange experience from the use of advanced technology of information especially on radio, film and television.

Both sides agreed to promote bilateral cooperation in exchanging visits by personnel of mass media, to cover important events in each other's country and exchange trainees and experts of mass media between them.

The two governments also agreed to exchange radio and television broadcasting materials and films.

Ai Zhisheng, who is heading a 7-member delegation on a week-long visit to Indonesia, arrived here on February 23 and is scheduled to leave on February 29.

### **Indonesia's Suharto Receives Corporate President**

*OW2402165692 Beijing XINHUA in English  
1300 GMT 24 Feb 92*

[Text] Jakarta, February 24 (XINHUA)—President Suharto said that Indonesia wants to strengthen cooperation with China in various fields, saying constant development of bilateral relations is of great significance to both countries.

The president made these remarks here today at a meeting with visiting President of China National Petroleum Corporation Wang Tao.

Suharto briefed Wang on Indonesia's policies of energy, saying that Indonesia will make use of non-oil energy resources so that it can export more petroleum for foreign exchanges.

The president also stressed the importance to maintain rational oil price of 21 U.S. dollars per barrel in the interests of producers, customers and intermediates.

Wang expressed the hope to strengthen cooperation on petroleum production with Indonesia. The two sides can join hands in striving for a rational price of crude oil, he added.

Wang is visiting Indonesia from February 21 to 29 at the invitation of Minister of Mines and Energy Ginandjar Kartasasmita.

**Vietnamese Party Adviser Van Linh Meets Qian**

*HK2502051392 Beijing RENMIN RIBAO  
in Chinese 16 Feb 92 p 6*

[By Yang Mu (2799 2606) and Hou Hexiang (0186 7729 4382); "Nguyen Van Linh, Adviser to Central Committee of Communist Party of Vietnam, Meets Qian Qichen"]

[Text] Ho Chi Minh City (Vietnam), 14 Feb (XINHUA)—Nguyen Van Linh, adviser to the Central Committee of the Communist Party of Vietnam, met with Qian Qichen, Chinese state councilor and foreign minister, and his party here this afternoon.

Qian Qichen conveyed to Nguyen Van Linh cordial greetings and best wishes from General Secretary Jiang Zemin, President Yang Shangkun, and Premier Li Peng. He said: "Since the summit meeting and the normalization of Sino-Vietnamese relations last year, bilateral relations between the two countries have been developing smoothly. My current visit to your country has also been very successful. Adviser Nguyen Van Linh has made important contributions to the smooth development of Sino-Vietnamese relations."

Qian Qichen said he was very glad to have the opportunity to visit Ho Chi Minh City, which has a glorious revolutionary tradition. Nguyen Van Linh said that, along with the Vietnamese people, the Chinese residing in Ho Chi Minh City have made due contributions either in the past revolutionary struggle or in the current economic construction and development.

Nguyen Van Linh delightedly recalled the days he had contacts with the Chinese leaders and expressed deep admiration for the successes China has achieved in its reform. He was especially glad to see that Vietnam-China relations are being restored and developed healthily.

Qian Qichen conveyed an invitation from the Chinese leaders to Nguyen Van Linh, inviting him to visit China at his convenience. Nguyen Van Linh said joyfully that he wished he could visit China as soon as possible. He also asked Qian Qichen to give his best regards to General Secretary Jiang Zemin, President Yang Shangkun, and Premier Li Peng.

Vietnamese Vice Foreign Minister Vu Khoan and Chinese Ambassador to Vietnam Zhang Dewei were also present during the meeting.

**XINHUA Delegation Ends Vietnam Visit**

*OW2402185692 Beijing XINHUA in English  
1354 GMT 24 Feb 92*

[Text] Ho Chi Minh City, Vietnam, February 24 (XINHUA)—The XINHUA news agency delegation left here this afternoon for home by way of Bangkok, concluding its nine-day visit to Vietnam.

General Director of the Vietnam News Agency (VNA) Do Phuong Saw off at the airport the XINHUA delegation led by president of XINHUA news agency, Mu Qing.

The Chinese guests arrived in Hanoi on February 15 and visited Hanoi, Hai Phong, the four provinces of Quang Ninh, Quang Nam-Da Nang, Thua Tien-Hue, Lam Dong and Ho Chi Minh City.

They had been warmly received by Vietnamese people throughout the tour, during which they had extensive contacts and exchanges of views with central and provincial press circles.

Both sides expressed their hope for further development of exchanges and cooperation between the two peoples and two news agencies.

**Ports To Reopen, Begin Trading With Vietnam**

*HK2402152892 Beijing ZHONGGUO XINWEN SHE  
in English 1436 GMT 24 Feb 92*

[Text] Beijing, February 24 (CNS)—With improvements in the economic and trade relationship between China and Vietnam, the two countries have negotiated to reopen or newly open 21 pairs of ports, with seven of them to open soon.

At present, the number of first-class ports open to the outside world in China total 154.

It is learned that great achievements were made in opening ports in China last year. With the approval of the State Council, Hohhot Airport was opened in the Inner Mongolia Autonomous Region. Many other ports opened include Dongshan Harbour in Fujian and the three harbours of Wuhu, Jiujiang and Wuhan along the Yangtze River.

**Near East & South Asia**

**Libyan Envoy Presents Credentials to Yang**

*OW2502060392 Beijing XINHUA in English  
0357 GMT 25 Feb 92*

[Text] Beijing, February 25 (XINHUA)—Muftah Otman Madi, new secretary of the People's Committee of the People's Bureau of Libya in Beijing, presented his credentials to Chinese President Yang Shangkun here this morning.

The new Libyan ambassador to China arrived here on January 19.

**Economic, Trade Delegation Departs for Libya**

*OW2102180192 Beijing XINHUA in English  
1457 GMT 21 Feb 92*

[Text] Beijing, February 21 (XINHUA)—A Chinese governmental economic and trade delegation led by

Minister of Chemical Industry Gu Xiulian left here this evening for a goodwill visit to Libya at the invitation of the Libyan Government.

The delegation is to attend the fourth meeting of the Sino-Libyan mixed committee of economic, trade, scientific, and technological co-operation.

### **Qian Attends Banquet at Sri Lankan Embassy**

*OW2102175692 Beijing XINHUA in English  
1506 GMT 21 Feb 92*

[Text] Beijing, February 21 (XINHUA)—Suhita Gautamadasa, ambassador of the Democratic Socialist Republic of Sri Lanka to China, hosted a banquet at the embassy here this evening to mark the 35th anniversary of the establishment of diplomatic relations between Sri Lanka and China.

Chinese State Councillor and Foreign Minister Qian Qichen was present at the banquet.

Speaking on the occasion, Gautamadasa and Qian expressed the hope for continuous development of friendly co-operative relations between China and Sri Lanka.

Officials from relevant Chinese ministries and institutions were also present at the banquet.

### **Bahrain Cultural Exhibition Opens in Beijing**

*OW2502122192 Beijing XINHUA in English  
1000 GMT 25 Feb 92*

[Text] Beijing, February 25 (XINHUA)—Bahrain cultural exhibition opened at the Working People's Cultural Palace here this afternoon.

On display at the exhibition are photographs reflecting ancient historic sites, works of plastic arts, colorful national costumes and a great variety of books.

Present at the opening were Wang Guangying, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, and Tariq al-Mu'ayyad, visiting Bahrain minister of information.

### **Nepalese Prime Minister To Visit 16 Mar**

*OW2102175392 Beijing XINHUA in English  
1557 GMT 21 Feb 92*

[Text] Kathmandu, February 21 (XINHUA)—Nepalese Prime Minister Girija Prasad Koirala will pay an official visit to China starting from March 16 at the invitation of the Chinese Government.

The prime minister announced the visit at the opening of the second session of the House of Representatives at the Parliament Hall today.

The session is expected to discuss legislation for the local election, bills concerning citizenship certificates and the civil servants act, and agreements signed with India.

Koirala said that he would be visiting China to develop Nepal-China relations at the highest level and to further broaden the basis of mutual friendship, understanding and confidence between the two countries. He expressed his confidence that his visit would be fruitful.

"Nepal wishes to strengthen relations with all countries, particularly the neighboring countries, on the basis of mutual welfare and confidence," he said.

### **West Europe**

#### **Denmark 'Not Prepared' To Lift Aid Freeze**

*HK2502101892 Hong Kong AFP in English  
0959 GMT 25 Feb 92*

[Text] Beijing, Feb 25 (AFP)—Danish Industry and Energy Minister Anne Birgitte Lundholt told Chinese officials before leaving here Tuesday that Denmark was not prepared to lift a freeze on aid to China, the Danish Embassy here said.

Lundholt left Beijing for the Special Economic Zone of Xiamen in southeast China, after which she will travel to the southern city of Guangzhou before leaving the country Friday for neighbouring Hong Kong.

"All bilateral cooperation projects will be on a commercial basis," Lundholt told Chinese officials here, ruling out the lifting of the freeze on soft loans.

Copenhagen froze all new aid to Beijing on September 17 because of the lack of progress on human rights in China.

Lundholt met Monday with deputy Premier Zou Jiahua for a session in which the two "addressed every issue of bilateral interest," the Danish Embassy said, suggesting that human rights were also covered.

Since her arrival here Friday, she has met with officials from the finance, foreign trade, trade, energy, industry, light industry and communications ministries as well as those from the state planning commission.

Lundholt is the first member of the Danish Government to visit China since its 1989 crackdown on the pro-democracy movement.

Her trip, which comes at a time when Beijing has said it wants to speed up its opening to the outside world, is aimed at reinforcing trade and commercial ties.

Danish exports have dropped sharply in the last two years, leading to a considerable widening of the trade gap in China's favour.

#### **Vice Premier Meets Danish Industrial Minister**

*OW2402151592 Beijing XINHUA in English  
1431 GMT 24 Feb 92*

[Text] Beijing, February 24 (XINHUA)—Chinese Vice-Premier Zou Jiahua said here today that China attaches

great importance to its relations of cooperation with Denmark and is willing to further this relationship.

After extending a warm welcome to the 49-member Danish delegation led by Danish Minister of Industry and Energy Resources, Anne Birgitte Lundholt, Zou said the current visit to China by such a large group shows that Denmark also values the bilateral relationship.

"China's achievements in the past decades have proved the correctness of the reform and open policy. Therefore, China will open itself even more widely and is willing to develop economic and trade cooperation with all friendly nations including Denmark," he said.

Zou noted that China and Denmark have a good basis for cooperation and he hoped the two sides could increase cooperation in fields of industry and agriculture to promote bilateral trade. "The current visit by Lundholt is surely a help to that cause," he said.

The Danish delegation arrived here on February 21. They have already met with leading officials of the State Planning Commission, commerce, finance, energy resources, communications, and light industry. Discussion topics have focused on enhancing Sino-Danish economic and technological cooperation, and bilateral trade and investment.

Statistics from China's customs show that trade volume between the two countries in 1991 was 250 million U.S. dollars' worth involving food processing, agriculture, animal husbandry, fisheries, energy and communications.

In an interview with XINHUA after the meeting, Lundholt said that she had seen the tremendous achievements in Beijing brought about by reforms, and that she and her delegation are confident of the future of Sino-Danish cooperation.

She said that the cooperation could be as contractual joint ventures, personnel training or other exchanges. The emergence of joint ventures in energy, communications and food-processing would be beneficial, she said.

The Danish minister also said that Denmark welcomes China to participate in the GATT at an early date, which would be beneficial for the development of bilateral trade.

As Denmark is expected to assume EC presidency next year, it will do its bit to help restore and develop the relations between the EC and China, she said.

The Danish delegation will leave for Xiamen and Guangzhou tomorrow morning.

### Trade Official Expects EC Imports To Develop

OW2202095492 Beijing XINHUA in English  
0919 GMT 22 Feb 92

[Text] Beijing, February 22 (XINHUA)—China's imports from the European Community (EC) are expected to experience "ideal development" during 1992, according to an official from the Ministry of Foreign Economic Relations and Trade (MOFERT) here today.

Shao Xuezhen, who is in charge of China's trade with the EC, attributed the expected development to a general return to normal bilateral economic cooperation, and the good mutual trade atmosphere since ministerial-level meetings were held last October between China and members of the EC.

According to Shao, "the meetings will have a positive effect in promoting bilateral trade during 1992."

Shao pointed out that China has experienced a good beginning regarding this year's imports from the EC.

Early this year China signed an import contract with Italy valued at over 150 million U.S. dollars, and another with Spain valued at over 300 million U.S. dollars, he said.

Another reason for the increase in bilateral trade is that China and members of the EC have reached an understanding concerning the trade deficit. At present, both sides report trade deficits because of differing methods of calculation.

"We have reached an agreement with our counterparts in the EC," said Shao. "The agreement includes promoting bilateral trade by seeking unified solutions to problems through a joint effort, rather than engaging in nonproductive bickering."

According to Shao, China is preparing to send a large delegation of buyers to EC countries during the first half of the year.

A similar delegation which visited EC countries last year concluded purchase transactions valued at over 1.6 billion U.S. dollars.

The trade volume between China and EC countries exceeded 15.1 billion U.S. dollars in 1991, an increase of 10.5 percent over 1990. Chinese exports for the year reached 6.7 billion U.S. dollars, a 15.5 percent increase over the previous year, while imports exceeded 8.4 billion U.S. dollars, a 0.6 percent rise.

Shao expressed hope that EC countries will adopt a more positive and flexible economic cooperation policy this year in order to overcome problems and release the latent potential of bilateral cooperation.

**Political & Social****Sentenced Tiananmen Square Activists Identified**

*HK2502051492 Hong Kong AFP in English 0506 GMT 25 Feb 92*

[Text] Beijing, Feb 25 (AFP)—The Chinese authorities Tuesday sentenced a new group of seven pro-democracy activists in the aftermath of the 1989 Tiananmen Square movement, according to public court notices.

The seven were all charged with "counter-revolutionary propaganda and incitement" and were the largest group of dissidents to be sentenced in more than one year.

The Beijing Intermediate People's Court handed a four-year jail term to former PEOPLE'S DAILY [RENMIN RIBAO] editor Wu Xuecan, 40, his friends and relatives said.

Wu took part in issuing a special edition of the official communist party organ in 1989 supporting disgraced party leader Zhao Ziyang.

Beijing University student leader Peng Rong, 24, was sent to prison for two years.

The sentences of the other five were not immediately known, but they were identified in public notices outside the court as Zhai Weimin, Li Minqi, Dong Huaiming, Wang Zhongxian and Wang Guoqing.

Zhai, 23, was sixth on a list of 21 student leaders most wanted by police after the June 4, 1989 crackdown on the pro-democracy movement. He eluded capture for nearly a year and organized an underground anti-communist party.

Li, 22, led a demonstration at Beijing University on the first anniversary of the crackdown in which students marched, sang songs and threw bottles from dormitory windows.

The backgrounds of the other three defendants were not known.

**Synopsis of Recent Press Articles on Human Rights**

*HK2502074892*

[Editorial Report] The PRC press continues to publish articles emphasizing China's position on human rights, some citing its practical achievements in this area and others providing a theoretical basis for China's human rights policy. The PRC-owned Hong Kong LIAOWANG OVERSEAS EDITION has published its sixth and seventh installments of Li Yan's [3810 6056] human rights series, the former focusing on prisoners' rights and the latter on workers' rights. RENMIN RIBAO has also expounded on China's human rights concerns vis-a-vis those of the West in three "Human Rights Forum" columns.

The LIAOWANG OVERSEAS EDITION of 3 February 1992 published the sixth installment of Li Yan's human rights series entitled "China Achieves Remarkable Results in Reforming Criminals" [published in 20 February China DAILY REPORT beginning on page 26]. The approximately 2,300-character article, continuing the question-and-answer format used in the previous articles in the series, first elaborates on the PRC's measures for guaranteeing the rights of convicted prisoners and stresses that China's prisons are mainly used to "give legal, disciplinary, and moral education" to convicts to "enable them to acquire work ability and to assume a normal lifestyle upon their release and return to society." He emphasizes that China's policies conform to regulations regarding prisoners' rights put forward by the United Nations and notes that convicts enjoy the protection of their safety, property, and dignity and "have the right to appeal, to defend themselves, and to file accusations."

The author says that China reforms criminals in prison and maintains that convicts can receive a general education, learn various skills, and participate in recreational activities. PRC prisons, he says, also help released convicts find jobs and solve other problems. He insists, however, that the most relied upon and effective method for transforming convicts into valued members of society is productive labor. He stresses that prison-made goods are "mainly used to meet the internal needs" of the labor-correction institutions. Li contends that China's success in reforming criminals is evidenced by the fact that the rate of recidivism among former convicts in China is 6 to 8 percent compared to 41.4 percent in the United States.

The LIAOWANG OVERSEAS EDITION of 17 February carries Li Yan's seventh installment in the series entitled "Chinese People Have Extensive, Comprehensive Right To Work." In the approximately 3,500-character article, the author enumerates the following six aspects of a Chinese citizen's right to work: 1) the right to work as specified by the PRC Constitution; 2) the right to receive work remuneration; 3) the right to rest; 4) the right to receive vocational training; 5) the right to enjoy labor protection; and 6) the right to enjoy social security guarantees. Li cites figures to support his claim that, freed from "exploitation," Chinese workers have seen their incomes rise and are enjoying substantial fringe benefits ranging from housing to health care. He says that the authorities have laid down regulations to guarantee workers' safety and clean work environments and that trade unions are also playing a major role in guaranteeing workers' rights and interests.

Li stresses the high priority the government attaches to ensure the people jobs by comparing the situation today with that of the 1948-49 period prior to the Communist takeover. He cites figures to show the growth in employment, mentions the diversity of jobs in the post-1978 reform period, and notes the development of township and town enterprises that absorb much of the surplus rural labor force. He also lauds the authorities who, as

some enterprises are closed or merged in the course of reform, properly assign new jobs to the redundant workers or provide necessary vocational training for them. He reports: "In 1990, the number of employed people reached 147.3 million or multiplied to 9.6 times the 1949 figure, and the urban unemployment rate in China remained around the level of 2.5 percent, which was far lower than the unemployment rates in the major Western countries."

The author notes that urban and rural workers in China enjoy numerous social benefits. In the countryside, he says, there is a cooperative medical services system in which all rural residents participate on a voluntary basis, and elderly people living alone are supported collectively by the local communities which provide them with free food, clothing, shelter, medical care, and funerary services. The state also finances some of the welfare benefits enjoyed by the elderly who live alone in the countryside. In cities, workers enjoy labor insurance as specified by the rules formulated in 1951, and the enterprises are responsible for paying the medical and funeral bills of the workers they employ. Pensions for retired workers are guaranteed, and allowances are issued to workers on long-term sick leave. The author also mentions that the government always organizes necessary relief to people stricken by natural disasters. He states: "Not one person died of hunger or cold in the areas stricken by serious floods in 1991."

In recent weeks, RENMIN RIBAO has published several articles on the human rights issue in its "Human Rights Forum" column. A 2,500-character article by Zhong Xuanli [6945 6513 4409] in the 27 January issue is entitled "Develop Theoretical Research on Human Rights in Depth Under Constant Guidance of Marxism." It is essentially a roundup of a recent symposium on human rights sponsored by the Theoretical Bureau of the CPC Central Propaganda Department. According to the article, the symposium participants discussed the "great significance" of strengthening theoretical research on human rights, which it maintained would: 1) support the resistance against the human rights offensive launched by hostile international forces; 2) support the plan for conducting ideological education in patriotism and socialism among the cadres and the masses; 3) prove useful in the building of the Marxist theoretical system on human rights; and 4) promote the building of the democratic and legal system in our country.

According to the author, the symposium participants stressed the necessity of "adhering to the methodology and viewpoints of Marxism in the theoretical research related to the human rights issue" and of the need to "correctly carry out exchanges and struggles over the human rights issue with the Western countries." The participants pointed out the antagonism and essential differences between the Marxist viewpoint and the "bourgeois" views on human rights and stressed: "The West will not give up its human rights theory simply because of relations with us, and we should not give up our human rights viewpoints simply because of contact

with the West. Our socialist system has made outstanding contributions to the world's cause of guaranteeing human rights, as we use 7 percent of the world's cultivated land to successfully feed 22 percent of the world's population. Our human rights record is by no means inferior to that of other countries. No one can force us to yield on the human rights issue for any reason. As long as we constantly follow the guidance of Marxism and follow the principle of struggling 'on just grounds,' 'to our advantage,' and 'with restraint' by basing our arguments on facts, then we will certainly be able to gain mastery of the international exchanges and struggles around the issue of human rights."

The author says that the symposium participants affirmed China's human rights conditions described by the White Paper of the State Council's Information Office and supported the viewpoints of the White Paper. At the same time, they also discussed the human rights conditions in the world and regarded the existing social problems in the West as a violation of human rights, saying that those problems "have laid bare the hypocrisy, duplicity, and perniciousness of the bourgeois human rights viewpoint." According to the author, a number of questions were raised at the symposium for further exploration. They included: 1) the definition of the concept of human rights; 2) whether there are universal human rights standards; 3) the relationship between human rights and national sovereignty; and 4) the relationship between individual human rights and collective human rights.

In its "Human Rights Forum" of 14 February, RENMIN RIBAO published an article by Wang Ruisheng [3769 6904 3932] entitled "Making Contributions to the Development of a Human Rights Theory." In the article, the author admits that Chinese theorists previously did not pay enough attention to theoretical research on the human rights issue. He gives two reasons for this: First, they regarded the criticism of the human rights conditions under the capitalist system by Marx and Engels as their general negation of the concept of human rights. Second, they did not properly solve the difficult points in theory, including defining what human rights are. The author insists that the correct approach should be to take "human beings" related to the concept of "human rights" as flesh-and-blood people under specific historical conditions, thus grasping "the contradiction between the theoretical expression of human rights and the essence of this concept" in capitalist society, where "the bourgeois rights need to find expression in the theoretical form of human rights." Thus, he contends, "human rights are only bourgeois rights when private ownership exists;" in socialist society where private ownership is eliminated, "human rights can be enjoyed by all members of society." In order to build upon the Marxist human rights theory, the author says, it is necessary to answer some difficult questions: 1) What are the grounds for human rights? Are human rights derived from man's natural existence or determined by the economic and cultural conditions as other factors in

the superpower of society? 2) Do human rights emerge and develop historically or come into existence together with mankind? 3) Are there any common attributes and particularities in human rights and, if so, what are they?

He concludes by stating: "The human rights issue is not only a theoretical issue but also a practical issue, and our human rights practice can be divided into two aspects: 1) The human rights struggle which has become an important aspect of international struggle. In the final analysis, it concerns the following question: Which social system, capitalist or socialist, can provide more human rights for the people? 2) We should continuously improve our domestic human rights conditions in various aspects of our social life, thus demonstrating the superiority of our socialist system."

RENMIN RIBAO published another "Human Rights Forum" column on 19 February. The approximately 900-character article by Liu Fenzhi [0491 1164 0037] is entitled "Boomerang Phenomenon." It contends that the "human rights champions" in the United States are trying to use the human rights issue as a justification to attack other nations, but this approach just calls attention to themselves. The author calls this the "boomerang phenomenon" and questions whether these "champions" fairly assess human rights issues in their own country. The author says: "The 'human rights champions' in the United States pay special attention to the several criminal offenders who stirred up riots and tried to use violence to subvert the Chinese Government and accuse it of violating the human rights of these criminals. They continuously hand out namelists and demand that the Chinese law enforcement organs release them. Recently they even dished out some materials they concocted and alleged that 'China's human rights situation has not been improved.' People may ask: If similar events occur in the United States, what will the U.S. law enforcement organs do?" The author cites the U.S. laws on the penalties imposed on those who commit the crimes of treason, rebellion, sedition, and other subversive acts and asks: Can this also be regarded as a "violation of human rights"? The author quotes an American professor from Columbia University in saying that "international human rights are always used for export, and Congress only uses international human rights standards as grounds for imposing sanctions against other nations." The author quotes another American scholar by saying that "promoting human rights means promoting the interests of the United States." In conclusion, he warns U.S. human rights champions against the possible "boomerang" effect of their accusations because, he cautions, this boomerang "is not a toy."

#### **Beijing To Use Media To Apprehend Criminals**

HK2502125192 Hong Kong TA KUNG PAO in Chinese  
25 Feb 92 p 4

[Special dispatch" by staff reporter Chang Shao-wei (1928 1421 1218): "Beijing Police Openly Order Arrest of Criminals at Large Through Mass Media"]

[Text] Beijing 24 Feb (TA KUNG PAO)—Beginning tomorrow, the Beijing Municipal Public Security Bureau is to utilize the mass media, including newspapers and radio and television broadcast stations, to order the arrest of criminals at large so that social forces can be mobilized to round up the criminals at large as quickly as possible.

Zhang Liangji, Beijing Municipal Public Security Bureau deputy director, briefed news circles on relevant conditions today. He said a stern crackdown on serious crimes and economic criminal activity is the unshirkable duty of public security organs, and that doing a good job of social order involves all social departments to conduct comprehensive improvement, and the broad masses' participation and support as well. The Beijing Municipal Public Security Bureau is to order the arrest of some criminals at large, in stages and by groups, through the mass media to mobilize and organize the broad masses to better assist public security organs to round up criminals at large as quickly as possible to enforce the law on them.

Through coordination and study with related departments, the Beijing Municipal Public Security Bureau has decided to publicly order the arrests of some criminals at large, starting tomorrow through BEIJING WANBAO, the Beijing Central People's Radio Network Economic News Channel, the Beijing Television Broadcasting Station, and the journal JINDUN. Some of the nine criminals are gangsters, and some are committing crimes on their own. Their crimes can be categorized as ganging up to swindle huge sums of money, armed robbery, and homicide.

According to the Public Security Bureau official's briefing, such method of ordering the arrest of criminals at large will be carried out from now on.

[Beijing XINHUA in English 0444 GMT of 25 February reports that a "spokesman said that the Beijing police will offer rewards leading to the arrest of wanted figures, and that tip-offs will be guaranteed anonymity."]

#### **Woman Deported by Japan Undergoing 'Reeducation'**

OW2002144792 Tokyo KYODO in English  
1440 GMT 20 Feb 92

[Text] Beijing, Feb. 20 KYODO—The Japanese Embassy announced Thursday that a Chinese woman who sought political asylum in Japan but was deported to China last year is now serving a year of house labor for "reeducation."

Lin Guizhen, 25, was sent to her native Changde County in Fujian Province last August while continuing a two-year fight for political asylum in Japan at the Fukuoka and Tokyo district courts. Her case brought criticism of the Japanese Government for its failure to protect her human rights.

The Chinese authorities, in reply to a Japanese Embassy inquiry about Lin, said her one-year of house labor is the same punishment other illegal emigrants receive and denied that Lin participated in pro-democracy movements in Changde at the time of the military crackdown on antigovernment demonstrators in Beijing's Tiananmen Square in June 1989, embassy officials said.

### NPC Standing Committee Ends 24th Meeting 25 Feb

#### Laws Adopted, Draft Laws Approved

OW2502101092 Beijing XINHUA Domestic Service  
in Chinese 0707 GMT 25 Feb 92

[Text] Beijing, 25 Feb (XINHUA)—The 24th meeting of the Standing Committee of the National People's Congress [NPC] closed at the Great Hall of the People this morning after adopting the Law of the People's Republic of China on Its Territorial Waters and Their Contiguous Areas.

Chairman Wan Li presided over the closing ceremony and spoke on the question of strengthening legal supervision.

The law has 17 articles and will take effect on the day of its promulgation.

After voting, the meeting decided to submit the draft law for elections of deputies to the NPC and local people's congresses, the Law of the People's Republic of China on Trade Unions (amended draft), and the Draft Resolution of the Fifth Session of the Seventh NPC on the Question Concerning the Number and Election of Deputies to the Eighth NPC to the Fifth Session of the Seventh NPC for deliberation and approval.

The 24th meeting also adopted a decision to ratify "The Agreement Between the People's Republic of China and the Union of Soviet Socialist Republics on the Eastern Section of the Sino-Soviet Border" [signed by Foreign Minister Qian Qichen in Moscow on 16 May 1991], and the report of the Credentials Committee on the credentials of new deputies elected to the Seventh NPC.

After voting, the meeting appointed Qiao Xiaoyang [0829 2556 7122] and Hu Kangsheng [5170 1660 3932] vice chairmen of the Legislative Affairs Commission of the NPC Standing Committee and Liu Tianbi vice president of the court of civil cases under the Supreme People's Court. The meeting also approved other removals and appointments.

Vice Chairmen Peng Chong, Seypidin Aze, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, and Wang Hanbin attended the meeting.

State Councillor Li Guixian, President of the Supreme People's Court Ren Jianxin, and the chief procurator of the Supreme People's Procuratorate attended the meeting as observers.

#### Resources, Economy, More Discussed

OW2402230392 Beijing XINHUA Domestic Service  
in Chinese 1150 GMT 24 Feb 92

[Text] Beijing, 24 Feb (XINHUA)—Members of the Seventh National People's Congress [NPC] Standing Committee took the floor at its 24th session today to comment on its topics of discussion.

Chairman Wan Li attended and addressed the session.

#### Conserve Resources and Manage them According to Law

Member Li Xuezhi said: Mineral resources are the lifeblood of industry. China is a big country with a great variety of mineral resources. While there are ample reserves, the per capita share is quite limited. This feature constitutes the most basic situation of China's mineral resources. Since our mineral resources are limited, we should develop and exploit them in a way so as to benefit the country and later generations. We should make "conservation of mineral resources" a basic national policy. Moreover, we should draw up regulations to ensure implementation of this policy. We must establish guidelines whereby the nation's mineral resources can be effectively preserved and sensibly developed. To improve the order of all types of mining operations, we must intensify law enforcement and stop unlicensed and reckless mining practices. He urged the NPC Standing Committee to review implementing the Mineral Resources Law and take steps to promote developing mining operations.

Member Zou Yu maintained that "conservation of mineral resources" should become one of China's national policies, and that China's problems concerning mineral resources should be resolved through exploring more resources and economizing the use of existing resources. He said: An increasing number of countries and regions in the world have devised their economic and social development strategies on the basis of three basic factors—namely, population, resources, and the environment—and they have also coordinated the relationship among these factors and their economic and social development through carrying out properly devised strategies. China's large population and its relatively limited natural resources constitute one major aspect of China's basic situation. This shows that it is important and essential for us to conserve our mineral resources. Zou Yu proposed that "conservation of mineral resources" should become a basic national policy.

Commenting on Xinjiang's mineral resources and the way the region implements the "Mineral Resources Law," Member Mamtoev Kurban pointed out: Because of its ample mineral resources, Xinjiang, like some other provinces and regions, is the nation's major resource supplier. It has been more than five years since the promulgation of the "Mineral Resources Law" in 1986. While the results achieved in implementing this law are something to be happy about, certain problems and

insufficiencies remain. For example, leading authorities of certain prefectures pay little attention to this law. They do not understand certain important provisions in the law, and some have yet to know that mineral resources can only be tapped in accordance with the law. He added: Supplementary regulations have to be drawn up so that certain major provisions in the "Mineral Resources Law" can be implemented. In some provisions, the power of local authorities in controlling mineral resources overlaps with that of the central authorities. This issue should be settled through consultations. In Xinjiang, a considerable portion of its mineral resources are not efficiently used. To further rejuvenate Xinjiang's economic development, we should, while implementing the "Mineral Resources Law," consider the characteristics of national autonomous areas and draw up some local laws governing their mineral resources so that minority areas' economic development can be even faster.

#### **Serve the Four Modernizations By Developing Information Services**

In their joint statement, Members Qian Min, Chen Xian, and Zhang Ting proposed to develop China's information services.

They pointed out: The world is now in an age of information. Ever since the adoption of the policy on reform and opening up, China's information services have been developing rapidly and such services have played an important part in China's socialist modernization drive. Nevertheless, we should be aware that the development of information services in China remains very inadequate for the nation's economic and social development. The nation's microelectronics and computer industries, which constitute the core of today's electronic industry, remains highly undeveloped. This being the case, China must intensify its management of information industries, pool up its resources, increase investment in this area, publicize the importance of information, train needed personnel, and develop new electronics goods and promote their use so that more information will be available to the public. China's information services will have a significant development during the 1990's, and China's socialist modernization programs can be expedited.

#### **Take Effective Measures To Stabilize Teachers' Contingents**

In view of the exacerbating situation in which young teachers have continued to leave colleges, thereby disrupting the supply of young teachers in colleges, Member Yang Lieyu said that something must be done so that people will respect teachers and education. He said: We must use the media and various other ways to appeal to the government to give top priority to educational development and increase educational investment. We should properly approach the values created by intellectuals, and attach importance to these values so that respect for

teachers and education will truly become a public awareness. We should adopt all sorts of ways and measures to achieve this objective. To begin with, we can designate an area or a college, and create there an atmosphere, wherein young teachers can fully demonstrate their initiative and veteran teachers are willing to impart their knowledge to young teachers, and assist and guide them. In this way we can lay a strong foundation for developing higher education in the 21st century.

#### **Speed Up Antipoverty Programs By Developing Courtyard Economies**

Member Dong Naifang maintained that one major way in which peasants can shake off poverty and become affluent is to develop courtyard economies [tingyuan jingji 1656 7108]. She said: The advantage of courtyard economies lies in their limited investment, high profits, and minimum risks. This is one project that peasants can try first to become prosperous. She said: The development of courtyard economies still has some problems. The principal ones are: Leading authorities have yet to understand their significance, the development of courtyard economies is very uneven, and there are no consistent guidelines or sound socialized services. Because of these problems, she proposed: First of all, we should provide better leadership by drawing up practical development plans and supportive policies so that resources can be fully exploited, courtyard economies can develop soundly, and peasants can become affluent faster. This project should also be incorporated with the government's antipoverty plans. Second, we should sum up the experiences gained in this area and meet at appropriate intervals to discuss and publicize these experiences so as to help people better understand the significance of courtyard economies. When we do so, surplus manpower and unused time and capital in vast rural areas can be fully utilized; sound and practical experiences can be popularized; and courtyard economies can coexist with agriculture and rural enterprises on an equal footing. Third, special funds which the government allotted for the development of courtyard economies should be used for experimental and demonstrative projects, personnel training, providing technical information, and exchanging experiences.

Also taking the floor at the session were Li Zhen, chairman of the Shandong Provincial People's Congress Standing Committee, who attended the session as an observer. Li Jianbai, Duan Suquan, Deng Jiatai, and Yang Jike, members of the NPC Standing Committee, sent written speeches.

During the morning session, members of the NPC Standing Committee also heard a report delivered by Song Rufen, vice chairman of the Law Commission of the NPC Standing Committee, about revising the draft law of territorial waters and adjacent areas.

Vice Chairmen Peng Chong and Chen Muhua chaired the morning and afternoon sessions respectively. Vice Chairmen Seypidin Aze, Yan Jici, Rong Yiren, Liao

Hansheng, Ni Zhifu, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, and Wang Hanbin attended the meeting.

Chen Junsheng, Qian Qichen, Ren Jianxin, president of the Supreme People's Court, and Liu Fuzhi, procurator general of the Supreme People's Procuratorate, attended the meeting as observers.

### Trade Union Law Revision Urged

OW2502091192 Beijing XINHUA Domestic Service  
in Chinese 1200 GMT 24 Feb 92

[Text] Beijing, 24 Feb (XINHUA)—Speaking at the 24th meeting of the Seventh National People's Congress [NPC] Standing Committee today, Jiang Yiwei, member of the NPC Law Committee, pointed out that the proposed Trade Union Law should stress wholehearted reliance on the working class.

Jiang Yiwei said: The NPC will soon discuss revision of the draft Trade Union Law. This is a major event. The present draft revision of the Trade Union Law has been seriously, carefully done. However, it also contains some obvious shortcomings, the most serious being its failure to specify the primary task of our trade unions in the period of construction. I believe that in the revolutionary period, the primary task of our trade unions was to educate and organize, under the leadership of the CPC, the masses of workers to rise up in the struggle against imperialism, feudalism, and bureaucrat-capitalism, which weighed like three big mountains on our back. In the period of socialist construction after the victory of our revolution, the primary or central task of our trade unions should be "to educate and organize, under the leadership of the CPC, the masses of workers to learn how to exercise their democratic rights and fulfill their responsibilities and obligations as masters of their own affairs."

He said: The party Central Committee has time and again stressed the policy of "relying on the working class wholeheartedly." To carry out this policy, first of all it is necessary to make the masses of workers feel that in the enterprise where they work everyday, they are truly the masters; it is necessary to make the workers an integral part of the enterprise. It could well be said that the fundamental difference between a socialist and capitalist enterprise is who constitutes the principal part of the enterprise: the workers or the capital. Regrettably, in the old system, which was characterized by a high degree of centralization and administrative command, the workers did not truly become the principal part of the enterprise. Instead, they fell into a status resembling the "state employees." This was one of the profound reasons why state-run enterprises lacked vitality. This question must be resolved in the course of carrying out in-depth reform.

Jiang Yiwei said: The Third Plenary Session of the 12th CPC Central Committee pointed out the need to correctly establish two types of relationships with regard to enhancing the central link of revitalizing enterprises;

namely, the relationship between the state and the enterprise, and between the workers and the enterprise. In my view, even today, what we need to resolve is still these two types of relationships. The key to correctly establishing the relationship between the state and the enterprise is to separate the government from the enterprise, and to separate ownership and management. This will make the enterprise a commodity producer and operator that is truly responsible for its own management and profits or losses. The key to correctly establishing the relationship between the workers and the enterprise lies in establishing the workers in the principal position in socialist enterprises and fully bringing into play their role as the masters of their own affairs in order to arouse their initiative.

Jiang Jiwei said: Socialist enterprises are best equipped to arouse the initiative of the workers. Efforts are now being made everywhere to put an end to the iron rice bowl and to guaranteed wages and positions. It is essential that workers can be hired and dismissed, and promoted and demoted. At the same time, it is also necessary to adopt measures to encourage workers to "regard the factory as their home" and to make enterprise their lifetime undertaking.

He said: At present, experiments in enterprise reform are being conducted in all parts of the country. Many effective measures have been introduced to reform the relationship between the state and the enterprise. On the other hand, not enough attention has been paid to the relationship between the workers and the enterprise. As a result, few effective measures have been introduced in this regard. Here I would like to appeal to the country's economic organizations and enterprise circles: Let us seriously study how to make the workers the masters of their own affairs and open up a new road for socialist enterprises with Chinese characteristics. This is not only a major economic issue but also a major political issue concerning whether or not socialist superiority can be manifested in enterprises. This is the reason why I propose that the Trade Union Law make the primary or central task of the trade unions in publicly owned enterprises "the organization and education of the masses of workers in the exercise of democratic managerial rights and fulfillment of their obligations and responsibilities as masters of their own affairs." If we make this the central task, our trade unions will play a greater role in promoting democratic management of enterprise, and in implementing the party's policy of relying on the working class wholeheartedly.

### Article Views Effectiveness of 'Deng Whirlwind'

HK2502114692 Hong Kong MING PAO in Chinese  
22 Feb 92 p 6

[Article by Su Chi (5685 3823): "Will a 'Whirlwind' Sweep Away All 'Sand' on the Road of Reform?"—third installment of a serial report on Beijing's political trends;

first installment published in 20 February Daily Report on page 20; second installment published in 21 February Daily Report, pages 17-18]

[Text] The "Deng whirlwind" stirred up by Deng Xiaoping's visit to south China has once again awakened the reform and opening up concept which had "subsided" on the mainland in the last two years. But how strong is this whirlwind after all? Can it really sweep away all the "sand" on the road of reform? It is too early to make a judgment.

News from Beijing discloses that Deng Xiaoping's remarks during his inspection of south China were relayed by General Secretary Jiang Zemin at a CPC Central Committee Political Bureau meeting last week and that this has caused repercussions among the higher authorities and people in the lower levels in Beijing. People are spreading his remarks around. But what is noteworthy is the people that are most encouraged are the intellectuals, who were gratified when talking to each other. Not many medium- and high-level cadres have felt a boost to their morale regarding reform. In the last two years since the 4 June incident, Beijing, which is the country's political center, has been at a low ebb, and its political atmosphere has been suffocating. Intellectuals were the first to suffer among those examined after the 4 June incident. Intellectuals who dared to speak suffered retaliation almost similar to that during the "Cultural Revolution." They were suppressed. Therefore the "Deng whirlwind" has served as a "spring breeze" for many intellectuals who have once again boosted their enthusiasm.

But cadres think differently. In particular, it is still not known whether the "Deng whirlwind" is good or bad for cadres who had been promoted because of the suppression of others after the 4 June incident. It is also not known whether their official positions will be affected or not. Although many people have paid much lip service to reform and opening, as a matter of fact, they take a wait-and-see attitude.

An informed source in Beijing disclosed that many people do not have jobs, and many jobs have been left undone in the wake of the strange situation which has emerged in Beijing after the Eighth Plenary Session decided to hold the 14th CPC National Congress in the fourth quarter of this year. Some important matters needing urgent solutions were submitted to the higher authorities, but they shifted their responsibilities to others, or pigeonholed them upon receipt, giving the answer "please wait."

Some people in Beijing said that this is a result of the unclear political situation before the 14th CPC National Congress. A wait-and-see attitude exists among quite a few medium- and high-level cadres who do not know what to do in the future. The 14th CPC National Congress to be held at the end of this year will be the last opportunity for the octogenarians to arrange for their successors. Before this, all political forces will be engaged

in a test of strength and bargaining. It is still unclear who will go up on the stage and who will go down. At this moment, if someone makes mistakes or offends his would-be superior, it is no joking matter. Most people are therefore waiting to avoid "lining up in the wrong line."

Somme people are not waiting, but are trying to net something big during their last opportunities while they are still holding their positions. In Beijing recently, stocks of some sino-foreign joint ventures were annexed on many occasions and foreign investors were squeezed out. In other cases, official departments forcibly took over civilian-run enterprises and made their operational results their own. This has caused repercussions and resentment in Beijing press circles. But the relevant department strictly forbids any reporting on this.

The above examples suggest that the "sand" on China's road of reform has accumulated for a long time and has become quite hardened. It is impossible for the "Deng whirlwind" to sweep away all the obstacles, no matter how strong it is. Let us hope that this whirlwind will cause a huge wave to sweep away the sand and blaze a broad trail for the reformers to travel.

#### Effect on 5th NPC Session

HK2502114792 Hong Kong MING PAO in Chinese  
23 Feb 92 p 21

[Article by Su Chi (5685 3823): "NPC Session Scheduled for March Is Becoming Focus of Attention, 'Deng Xiaoping Whirlwind' Has Made Reformists More Active"—fourth and last installment of serial report on Beijing political trends]

[Text] The "Deng Xiaoping whirlwind" blowing this spring has affected the whole country. From the capital to various localities, official media at various levels have all taken action in recent days to give publicity to reform and opening up. In particular, local leaders in the coastal provinces were more eager to speed up local economic construction by taking advantage of the "whirlwind." It seems that when the "whirlwind" blows into the Great Hall of the People next month, it will stir up another surging wave of reform.

The Standing Committee of the National People's Congress [NPC] recently decided that the Fifth Session of the Seventh NPC will open on 20 March in Beijing. The annual session of the NPC for deliberating the government work report, approving the annual budget and financial report, and adopting some laws, has become a normal practice which may not have a major effect on the lives of the common people. However, because the "Deng Xiaoping whirlwind" is blowing hard at present, people may more or less pin new hopes on the upcoming NPC session.

According to the messages from Beijing in the past few days, a noticeable item on the agenda of the forthcoming

NPC session is the Three Gorges project. In fact, preparations for the Three Gorges project have long been under way, and the starting of the project has become an undisputed fact. In recent years, the official media has made a big fanfare over the project, and it is more obvious that the authorities are intensively soliciting opinions supporting the official announcement of the starting of the project. Many people in Beijing therefore believe that the motion on the starting of the Three Gorges project will be easily passed by the forthcoming NPC session, and that this will be viewed as a major step by the senior leadership to support reform and opening up.

When making the inspection tour in the south this spring, Deng Xiaoping stressed many times that the CPC's basic line is to take economic construction as the central task, and that nothing can disrupt the fulfillment of this central task. His remarks have undoubtedly set the keynote for the forthcoming NPC session and the 14th CPC National Congress to be held in the fall. How to further intensify China's reform and opening up will therefore certainly be the most important subject in the forthcoming NPC session.

According to reports from Guangdong and other localities, when Deng Xiaoping and Yang Shangkun inspected the two special economic zones in Shenzhen and Zhuhai before the Spring Festival, they highly valued and affirmed the development in the two special economic zones and in the Zhu Jiang Delta area. Deng Xiaoping also called for the Zhu Jiang Delta area to catch up with the economic development level of the "four little dragons" in Asia and become Asia's "fifth little dragon." This "supreme instruction" has greatly inspired the local cadres in Guangdong. They have become more confident and unafraid. It is therefore expected that Guangdong cadres will boldly raise their requirements of the central authorities at this year's NPC session in the hope that the central authorities will allow them to work more freely and independently, and conduct "capitalist-style" socialist construction on a bigger scale.

However, Guangdong's elation may not necessarily echo in other provinces, especially the interior provinces that have no conditions for setting up special economic zones. In recent years the economic gap between the provinces along the coast and those in the interior has been growing wider and wider. Interior localities have complained a lot about Guangdong's privileges. In recent years, some official media in Mainland China have also continuously criticized the tendency toward polarization between the southeast coastal areas and the northwest inland areas. This in fact reflects the contradiction between the coastal and inland areas. This contradiction may be intensified to a certain degree at the forthcoming NPC session.

Another noteworthy issue is that because this year's session will be the final session of the current NPC, the deputies may display two completely different attitudes because they do not know whether they will still be able

to attend this noble meeting next year. Some may follow the "Deng Xiaoping whirlwind" and speak out without inhibition in an attempt to make their "final" contributions, while others may behave with more restraint because they still care about their political future and fear becoming future targets of other people's attacks.

According to this analysis, if more deputies belong to the first category, the NPC session will be more lively and active than those of the previous two years; but if more deputies belong to the second category, the NPC session will still be rather dull, although it may appear to have a warm atmosphere.

#### Deng's Remarks Made in Visit to South Described

HK2502083292 Hong Kong TA KUNG PAO in Chinese  
25 Feb 92 p 2

[Report: "Deng Xiaoping's Talks During His Southern Tour Relayed Among Party Leadership in All Localities"]

[Text] The CPC has recently relayed to the top party leadership from Beijing to other parts of the country the important remarks made by Deng Xiaoping on his southern tour during the Spring Festival, and has discussed specific measures for further deepening reform and opening wider to the outside world.

Deng Xiaoping's remarks relayed to the party leadership include the following:

While traveling to Guangdong in the south, Deng Xiaoping stopped briefly at the Wuhan Railway Station where he met with Guan Guangfu, Hubei provincial party secretary. Deng Xiaoping mentioned the favorable political and economic situation nationwide, particularly the economic one. Only a small number of countries are against us, and they will not get anywhere. Now it is time for us to do work in a down-to-earth manner.

We have too many conferences, documents, and meetings as well as lengthy speeches. We have talked about the "one center and two basic points" over and over again. This should be stressed for 100 years. Comrade Mao Zedong once asked me to draft a government work report which should not exceed 5,000 characters. The television programs nowadays are full of meetings and lengthy speeches. This is called formalism.

When Deng Xiaoping arrived at Shenzhen on a special train on the morning of 19 January, he was greeted by Xie Fei, the Guangdong provincial party secretary, who said: We have been waiting for you for a long time. Deng Xiaoping said: I intended to come here long ago.

It was around 1000 in the morning. Deng Xiaoping said he wanted to take a look of the town and get a bird's-eye view of the city from the top of the International Trade Center. Shenzhen leaders gave Deng Xiaoping a description of the city's situation. While discussing social order, Deng Xiaoping said that the rampant corrupt practices

in the pre-liberation period were wiped out after liberation. We should sum up this experience. In a word, we cannot let corrupt practices run wild.

Deng Xiaoping said that capitalism has developed for hundreds of years while we have experienced a development of only a few decades. In 1984, I proposed building a few cities like Hong Kong in the interior. Shenzhen has taken a good lead in this regard. We should pay close attention to the matter because a delay will result in problems. Deng continued that China cannot be thrown into confusion. Otherwise, it will be unbearable to all if a million escape to Hong Kong and another three million escape to Thailand.

China will be at a dead end if it does not continue the road of reform and opening up. He who rejects reform and opening up must step down. We can get popular support only by continuing reform and opening up. Now we should do more practical things and make fewer empty remarks. Instead of lavishing praise upon ourselves, we should work earnestly and try to catch up with the medium level developed countries in a few decades. We do not have much time. While we are developing, others are not staying at the same level.

Deng Xiaoping stressed that the average age of our cadres should be younger. I have retired because I am advanced in age and my memory is failing. When a man becomes advanced in age, he suffers from two problems. One is poor physical strength and the other is stubbornness. But I will speak out at critical moments.

Deng Xiaoping arrived in Zhuhai on 23 January and visited the city on the second day. When an engineer of a certain company who had returned from the United States was giving Deng Xiaoping a description of his work, Deng said: You are so young. Congratulations! We welcome all students who have completed their studies abroad, irrespective of their political inclination. The current conditions are better than those of the 1950's. I express my gratitude to you. The hope of science is placed on you. The country has been poor for decades and now it is time for a change.

When Zhuhai mayor Liang Guangda gave a description of the city's situation, Deng Xiaoping said that the policies since the Third Plenary Session of the 11th CPC Central Committee should remain unchanged because a change may lead to troubles. It is correct for us to follow the socialist road. Some countries are now thrown into confusion which is not a good thing. Nevertheless, never get panic-stricken because we remain firm.

Deng Xiaoping asked how many students have returned from abroad to Zhuhai. Liang Guangda replied: A few dozen. Deng said: That's fine. You should not shut the gate. So long as we make concerted efforts and stick to the line and policies formulated since the Third Plenary Session of the 11th CPC Central Committee, we will certainly be able to make progress.

After his tour of Zhuhai, Deng Xiaoping inspected Zhongshan and Shunde. While in Shunde, Deng said: During the economic improvement and rectification, which lasted only a few years, your economic growth has increased rapidly and by several fold. In the years ahead, you should undergo readjustment while making headway and continue to advance. While in Zhongshan, Deng said that Guangdong should continue to be the vanguard of the entire country and take bolder and quicker steps in reform.

### Shenzhen's Li on Deng Visit, SEZ Development

*HK2302080992 Hong Kong MING PAO in Chinese  
23 Feb 92 p 21*

[By staff reporter Chu Chan-kang (2612 3277 0474); "Deng Xiaoping: 'Capitalism Is Nothing Horrible,' and Shenzhen Is To Be Built Into Socialist Hong Kong—Interview With Shenzhen Party Secretary Li Hao"]

[Text] During an interview with this reporter Shenzhen City CPC Committee secretary Li Hao said: Given the existing economic basis in the Zhu Jiang delta, it is fully possible for this area to catch up with the four little dragons of Asia in 20 years—an idea that Deng Xiaoping put forth during his recent south China tour. In order to fulfill this goal set by Deng Xiaoping and to build Shenzhen into a "socialist Hong Kong," Shenzhen will introduce many reform measures over the next 10 years and strengthen its ties with Hong Kong, thus ensuring common prosperity for both cities.

Interviewed by this reporter in Shenzhen a few days ago, Li Hao, Shenzhen city party secretary, elaborated in detail the significance of Deng Xiaoping's South China tour, future Shenzhen-Hong Kong relations, his personal view on capitalism, and Shenzhen's development plan for the next 10 years.

### Li Hao Disclosed the Content of Speeches Delivered by Deng During His South China Tour

It was against the historical background of the collapse of the communist regimes in Eastern Europe and the Soviet Union that Deng Xiaoping made his South China tour, eight years after his previous visit. For this reason, his latest tour is more eye-catching. Talking about Deng Xiaoping's visit to the Shenzhen Special Economic Zone [SEZ], Li Hao said that it was a great inspiration to Guangdong province, Zhuhai, and Shenzhen. During his inspection tour, Deng Xiaoping fully appreciated the SEZ's achievements, which is of positive significance to its future development. Deng Xiaoping's south China tour is also of importance for the acceleration of both economic development and the reform and opening up process. In the days to come, the SEZ will continue to uphold the principle of "one center, two basic points" (namely, the guideline that one must take economic development as the center while upholding reform and opening up as well as the four cardinal principles) put forth by the CPC, and will strive to boost the economy.

During his inspection, Deng Xiaoping proposed that the Zhu Jiang delta set the goal of catching up with the four little dragons of Asia in 20 years. As seen by Li Hao, after 10 years' efforts, the Zhu Jiang delta has laid a solid foundation both in terms of breadth and depth of the reform and opening up. It is therefore fully possible for the Zhu Jiang delta to rise as the fifth little dragon of Asia as anticipated by Deng Xiaoping.

**Deng Xiaoping Made a Concluding Remark on the Argument that "SEZs Are of a Capitalist Nature"**

Despite occasional disputes about whether the SEZs are of a "capitalist or socialist nature," the remark that "capitalism is nothing horrible" that Deng Xiaoping made during his south China tour no doubt puts an end to the dispute. What then is Li Hao's view of capitalism, after he has been working in Shenzhen for six or seven years and has had rich experience with capitalism? Li frankly told this reporter that the reason for establishing the SEZs is to draw in foreign funds. But he noted that this does not necessarily mean that more foreign funds drawn in means more capitalist factors. If we had not introduced foreign funds and experience, the achievements made in Shenzhen these days would have been impossible, and this city would never have been able to accomplish a high growth within a short period. Capitalism as mentioned in this context means nothing but introducing foreign funds. To be sure, foreigners come here to make money, but this is beneficial to Shenzhen as well.

Li Hao stressed that one should never put a capitalist label on science and technology and management know-how imported from capitalist countries. His personal experience in Shenzhen has shown that working with foreign businessmen is in general a pleasure.

With regard to future relations between Shenzhen and Hong Kong, Li Hao is optimistic. He held that Shenzhen and Hong Kong heavily complement each other in economic development, and Hong Kong's prosperity is essential to Shenzhen. If Hong Kong faces instability, it will have an impact on the development of Shenzhen. To be honest, the two cities do compete with each other. In fact, the aim of all the reform projects run in Shenzhen is to build "a socialist Hong Kong." As long as the mutually complementary relationship between Shenzhen and Hong Kong is appropriately handled, it will not lead to any vicious competition. Shenzhen's economic development in recent years has proved this. For example, at present 85 percent of the foreign funds that have been drawn into Shenzhen come from Hong Kong, while the vast majority of the more than 7,000 existing enterprises in Shenzhen are operated by Hong Kong businessmen and are engaged in processing with supplied materials, drawings, samples, or assembling with supplied parts, and compensation trade. This has enabled Hong Kong goods to compete with foreign products at competitive prices on the world market. At the same time Shenzhen has been able to formulate some laws, ordinances, and

administrative regulations in light of the valuable experience of Hong Kong and the capitalist world. In the future, cooperation will be further enhanced between the two cities in the field of high technology.

**No Label Should Be Put on Foreign Funds and Technology**

As disclosed by Li Hao, a Shenzhen-Hong Kong-U.S. joint venture, with Shenzhen as the main investor, will be started. By this joint venture, an extra-large-scale integrated circuit and software company with total capital of over HK\$2 billion will be established, and plants will be built both in Shenzhen and Hong Kong to manufacture integrated circuits of a size measured in microns.

Li Hao admitted that although closer and closer economic ties are being developed between Shenzhen and Hong Kong, contact between officials of the two cities is still conducted mainly at non-governmental and semi-official levels, while contacts and cooperation at the higher and official level are less frequent. However, contacts and cooperation between high-ranking officials will become commonplace in the future. He is very confident of this development.

Li Hao said: The establishment of SEZ's is in itself an experiment which facilitates reform in various fields. The aim of this sort of reform is to develop a socialist commodity economy and a mechanism that operates according to common international practice. Shenzhen's success in achieving rapid economic growth cannot be counted as a full accomplishment of the mission assigned by the state. The more important task to be accomplished by Shenzhen is to blaze new trails in launching various reforms. The many reform projects run by the Shenzhen SEZ over the past 10 years, including reforms in labor, wages, prices, housing, enterprise management, and land use systems, have influenced the development of the Chinese hinterland. Shenzhen's success in establishing its foreign exchange trade regulation center, for instance, has led to the establishment of foreign exchange trade regulation centers in more than 90 cities throughout the country. Land auctions were denounced as "violating the Constitution" at the beginning, but this reform has finally been proved to be correct and, in this connection, an amendment has accordingly been made to the Constitution. What is going to be launched this year is reform of the social security system, a major project that has an important bearing on the national economy.

Li Hao frankly admitted that bold actions to blaze new trails do not always end in success. But even if a project fails, it can serve as a reference for other parts of the country, he said.

Talking about Shenzhen's targets in the next 10 years, Li Hao said that there are plans to build Shenzhen by the year 2000 into "an export-oriented international city with multiple functions, supported by relatively high scientific and technological standards and a relatively

advanced and modern agriculture, with advanced industries as its basis and tertiary industries (editor's note: denoting financial service, tourism, service trades, and so on) as its mainstays." A task to be done in the near future is the improvement of administration over the first and second borders. A plan to establish a tariff-free zone that allows greater freedom in import and export of goods will be completed this year and submitted to the relevant central department for approval.

Asked about the speculation that he is to be called to take up a post at the central government, resign from the present post of city party committee secretary, and be reappointed chairman of the Shenzhen City People's Congress, Li Hao answered, smiling, that all the hearsay is completely groundless. But he added without mincing words, everybody will retire some day.

#### **Wang Zhen's Career, Future Influence Viewed**

*HK2502010792 Hong Kong KUANG CHIAO CHING [WIDE ANGLE] in Chinese No 233, 16 Feb 92 pp 43-45*

[Article by Jen Ming-Yen (0117 2494 3601): "Is Wang Zhen Seriously Ill?"]

[Text]

#### **Wang Zhen Did Not Come With Deng Xiaoping on Trip to Shenzhen**

In January 1984, Wang Zhen came with Deng Xiaoping on an inspection trip to Shenzhen. In late January 1992, Deng Xiaoping revisited Shenzhen, accompanied, however, by Yang Shangkun rather than Wang Zhen. Wang Zhen's poor health may have been one of the reasons preventing him from making the trip.

#### **Deng Pufang Talks About Wang Zhen**

In response to the various statements by the Western media regarding Wang Zhen's illness, on 11 January 1992 Deng Pufang answered a Taiwan LIEH-HO PAO [UNITED DAILY NEWS] reporter's question, saying: "Vice Chairman Wang Zhen is the honorary director-in-chief of the China Welfare Fund for the Handicapped, and honorary president of the China Disabled Persons' Federation. We have of course invited him as honorary president to the sports meet this time. When one gets old, one has little sicknesses of various sorts. If he is doing well in March, he should be able to attend. If not, that is okay."

#### **Wang Zhen in These Days**

Wang Zhen has not appeared in public for months. However on 18 January 1992, the China Association for International Friendly Contacts elected Wang Zhen honorary president, placing his name in newspapers again. The president of the association is Huang Hua (member of the Standing Committee of the Central Advisory

Commission and the former Chinese vice premier and foreign minister). Aiqing, Ma Mengqi, Deng Pufang, and Fu Jie serve as its advisers.

A few days ago, Wang Zhen sent a letter of congratulations to the association congratulating it on the gratifying achievements it has scored in promoting the friendly exchanges and mutual understanding between the Chinese people and those of other countries around the world, and for promoting China's four modernizations and its peaceful reunification.

#### **Elected Vice State Chairman at Age of 80**

Wang Zhen was elected vice chairman of the PRC at the First Meeting of the PRC Seventh National People's Congress on 8 April 1988. He was already 80 years old at that time, and should have withdrawn from the scene as vice chairman of the CPC Central Advisory Commission.

#### **Joined Northern Expedition, Long March, and 1949 Advance Toward Xinjiang**

Wang Zhen is the most veteran of all living CPC veterans. He began life as a railroad worker. At the age of 10, he joined the workers' movement. As early as 1927, he already joined the CPC, then the Northern Expedition, and then 25,000-li Long March. During the war against Japan, he was head of the renowned Brigade 395 of the 120th Division. He then served as commander and political commissar of the First Guerrilla Group Army. In 1949, he headed the troops in the advance toward Xinjiang and acted as secretary of the Xinjiang Branch of the CPC Central Committee, and acting commander and political commissar of the Xinjiang Military Region. In 1954, he acted as commander and political commissar of the railroad troops. In 1955, he acted as vice chief of staff of the People's Liberation Army and was conferred the rank of general. Later, he acted as minister of state farms and land reclamation, taking charge of land reclamation and development in the northwest. In 1975, he was appointed vice premier of the State Council. In 1978, he was elected member of the Political Bureau.

#### **Maintains Close Ties With Deng Xiaoping, Has His Trust**

After the collapse of the "Gang of Four," Wang Zhen actively favored reinstating CPC veterans Deng Xiaoping, Chen Yun, and others for party and government work and helped redress many mishandled cases. Because of his very close and friendly ties with Deng Xiaoping, he has won Deng Xiaoping's trust since Deng's return to power.

From late January to mid-February 1984, Wang Zhen accompanied Deng Xiaoping all the way on an inspection tour of Guangdong's Shenzhen and Zhuhai, Fujian's Xiamen, and Shanghai, and affirmed the achievements of the special economic zones [SEZ's]. His performance at that time drew a lot of attention. During an inspection

in Dalian in mid-1988. Wang Zhen stressed that China "had Shenzhen in the south and Dalian in the north" and advocated the reform and opening up of coastal areas. Such advocacy corresponded with Deng Xiaoping's hope of "creating several Hong Kongs."

Nonetheless, Wang Zhen also stressed that the CPC always has two hands, one with the policy of opening to the outside world and invigorating the home economy, and the other with cracking down on economic crimes and resisting spiritual pollution.

Wang Zhen said: During the War of Resistance Against Japan, despite the fact that Yan'an is in the neighborhood of Xi'an, the troops and people in liberated areas still retained their own distinctive revolutionary qualities. Our SEZ's should strengthen the development of socialist spiritual civilization and social order. While importing foreign things, they must resist the adverse effects of accompanying things. They must "resist the pollution without being xenophobic."

#### Advocates Openness for Economic Development, Tough Political Position

Economically, Wang Zhen advocates opening up and reform, while taking a rather tough political position.

Everyone knows that in late 1986, Wang Zhen opposed "liberalization" and took a clear-cut and unequivocal stand on the student movement in the spring and summer of 1989.

He also takes an unequivocal position on policies on art, literature, the press, and education. He lashed out at the film "River Elegy," which Zhao Ziyang had affirmed. Moreover, he always keeps a close watch on literary and art circles.

#### At 13th National Party Congress [as published], Wang Cuts in, Criticizing the Film "River Elegy"

In the fall of 1988, Wang Zhen frequently criticized the theme of the television series "River Elegy." At the Third Plenary Session of the 13th CPC Central Committee, he even cut in, criticizing "River Elegy."

Nevertheless, Wang Zhen has also stressed many times that China needs to reform and open up. He maintains that the policy of opening to the outside world is a national policy confirmed by Mao Zedong and Zhou Enlai. Wang Zhen said: In the 1950's, Mao Zedong stated in the article "Concerning Ten Major Relationships" that we must resolutely resist and criticize all decadent bourgeois things of foreign countries. But that does not hinder us from learning advanced capitalist science and technology and those scientific methods for enterprise management.

Wang Zhen said: As Deng Xiaoping said in an article in September 1978: "Mao Zedong also thought of enlarging economic and technological exchanges with foreign countries, or even of introducing foreign capital, setting up joint ventures, and so on. But at that time we were not

in a position to do that, because they blockaded us. Later, the 'Gang of Four' labeled all these ideas as 'worshipping and currying favor with foreign countries' or 'national betrayal,' thus isolating us from the rest of the world." "We are now in a better position than we were during Mao Zedong's time. Therefore, if the CPC Central Committee does not consider and decide matters in light of our current conditions, many of them cannot be resolved.

Wang Zhen's wife is Wang Ji Qing. Wang Zhen has one son and one daughter. His son is Wang Jun, vice director of the China International Trust and Investment Corporation. His daughter is called Wang Quan.

Besides being vice state chairman, he also has, in his words, several "unexacting sidelines." He is honorary president of the China-Japan Friendship Association, honorary president of the China Association for International Friendly Contacts, honorary director-in-chief of the China Welfare Fund for the Handicapped, and president of the Teachers of Middle and Primary Schools and Kindergartens Award Foundation. He raised over 50 million yuan and over \$1 million for the Award Foundation, and awarded over 20,000 teachers of middle and primary schools and kindergartens.

Wang Zhen is already 84 years old and his post as vice state chairman will expire in the spring of 1993. After that, it would be impossible, in any case, for him to continue his tenure any longer on account of his age and health.

If he is still energetic enough, he will, by his character, definitely put forward many suggestions regarding personnel arrangements and the party's direction and act as a go-between for people at this year's 14th National Party Congress. Wang Zhen has always appeared to dare to speak his mind. In fact, some leaders of provincial and city authorities that he had recommended are now in important positions.

#### Zhu Rongji Urges Government Structural Reform

HK2502083392 Hong Kong CHING CHI TAO PAO  
in Chinese No 6, 17 Feb 92 p 17

[*"China Economic News"* article: "Zhu Rongji Says Next Government's Structure To Undergo Big Changes"]

[Text] Zhu Rongji pointed out at a recent meeting that it is necessary to liberate thoughts and speed up reform, and the reform of the government structure should come into line with the development of reform through positive changes in government functions. At present, the changes in the functions of government institutions cannot keep pace with the ongoing reform.

He said: The structural reform of government institutions should constantly follow the principle of separating enterprises from government institutions. Government departments in charge of various industries and trades

should no longer directly control and interfere in the routine operation of their subordinate enterprises, and the enterprises should be allowed to exercise their own powers. It is not certain that the government departments can properly manage affairs of the enterprises. It is better that the enterprises be allowed to manage their own affairs.

Zhu Rongji stressed that it is probable that there will be a major change in the structure of the next government. The principles for reform are streamlining, efficiency, and separation of the government from enterprises. Government departments will no longer control their directly subordinate enterprises. Before the institutional adjustment, government institutions concerned will make positive changes in their functions, and they will first change their functions in managing enterprises.

#### **Wang Renzhong Urges Guangdong To Stress Ideology**

*HK2202072892 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 18 Feb 92*

[Text] On the morning of 16 February, Wang Renzhong, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee had an informal discussion with provincial party and government leaders Xie Fei [provincial party committee secretary], Fang Bao, Fu Rui, Lu Ruihua, (Gao Shiren), Liu Weiming, and Zhang Gaoli.

Comrade Wang Renzhong fully reaffirmed the achievements scored by Guangdong. He said: Guangdong has made rapid progress over the last few years and made quite a lot of contributions to the state. We should try to achieve common prosperity in building socialism. Coastal areas have presently become fairly prosperous, but mountain areas still face many difficulties. We should help backwater areas develop production. Since Guangdong has laid a sound foundation for economic development, it should take faster steps forward.

Comrade Wang Renzhong stressed the need to make a sound plan and give play to existing enterprises when launching capital construction projects, major and medium projects in particular. He said, it is necessary to avoid duplication of development projects. You have achieved results in the socialist ideological education in rural areas and should evaluate related experience. It is essential to carry out the education through to the end.

On the morning of 17 February, Comrade Wang Renzhong had another informal discussion with some CPPCC National Committee standing committee members residing in Guangzhou and responsible members from the provincial CPPCC.

Comrade Wang Renzhong said: In the course of reform and opening up, we should be clear about two things: 1. It is necessary to adhere to the CPC leadership. The CPC Central Committee has called for strict administration of the party. The party hopes friends from democratic parties will help the party do a good job in building up

the party. 2. In promoting material progress, we must also promote cultural and ideological progress and overcome the tendency to pay more attention to the former than to the latter. Progress in economic development will help promote cultural and ideological progress and advance the party's prestige, while success in our efforts to promote cultural and ideological progress and to build up the party will in turn promote economic development. He encouraged comrades in Guangdong to properly analyze their experience and score a still greater success in the future.

#### **'Counterpeaceful Evolution' Studies Increase**

*HK2202034592 Hong Kong TANGTAI /CONTEMPORARY] in Chinese No 11, 15 Feb 92 pp 29-31*

[Article by Hsiao Hua (2556 5478): "Mainland Studies Counterpeaceful Evolution"]

[Text] Editor's note: Around May last year, Wang Renzhi, director of the Central Propaganda Department, set up a "counterpeaceful evolution" research center in the CPC Central Committee Party School for senior cadres with himself as the director. This center is secretly stepping up the study of measures for "counterpeaceful evolution." It has now scored an initial "achievements," the first is "analysis of the peaceful evolution strategy of Western countries." The secondary achievement is that the "internal factors in peaceful evolution existing in socialist countries and the serious consequences brought about by peaceful evolution" are being studied and will be completed and submitted to the CPC Central Committee before long. To allow the readers to understand the CPC's thoughts, we have made extracts from their focal points. [end editor's note]

The initial achievement, "analysis of the peaceful evolution strategy of the Western countries," include the following main contents:

#### **I. Historical Background Against Which Peaceful Evolution Strategy of Western Countries Is Forwarded**

Peaceful evolution was forwarded against the historical background in which Western countries failed to wipe out socialism by force and were not reconciled to the existence and development of socialist countries. In view of the capitalist system's fundamental contradictions and as an opposite to capitalism, the communist system came into being and itself marks that capitalism is heading for decline. Therefore, capitalism surely takes a resolute stand in opposing communism.

**I. The first strategy pursued by imperialism against socialism is the strangling strategy.** From 1918 to 1945, the distinguishing feature was that new and old imperialism combined with each other and launched an unprecedentedly brutal war against newborn socialist countries. It was divided into two periods: the first, 1918-22; the second, 1941-45, and they diverted the scourge of Fascism into the Orient, namely the Soviet

Union. UK Prime Minister Neville Chamberlain held that war was allowed to break out between state socialism and communism so that both sides were weakened.

**2. The second strategy exercised by imperialism against socialism is the strategy of containment.** This was forwarded by George Kennan, U.S. chargé d'affaires to the Soviet Union. The containment strategy was divided into two parts, Europe and Asia.

In Europe, the CPSU's expansion to the West was checked and there were several main measures: 1) The George Marshall Plan for European Recovery (1947-51) was carried out. At that time, Western Europe was in economic difficulty, faced political turbulence and unrest, and was worried about the CPSU taking advantage of this opportunity. There were two aims in carrying out the European Recovery Program: maintaining position in West Europe and economic inducement held out to East Europe. 2) The Coordinating Committee for Export Control [COCOM] was set up. 3) The military organization NATO was established.

In Asia, the development of China was mainly curbed. The specific measures were: 1) Military encirclement was exercised. It was exercised through two wars, namely the Korean and Vietnam wars; two treaties, namely "the Southeast Asian Collective Defense Treaty (1954) and the Central Treaty Organization"; and one occupation, of Taiwan, in 1950. 2) Political isolation and economic blockade. Countries around China were roped in to form an encirclement; China was hindered from restoring its legal seat in the United Nations; China was censured for invading Korea and an embargo on weapons shipments to China was laid. 3) A China committee was established under the COCOM and the articles prohibited from being exported to China were more than those to the Soviet Union by more than 490 kinds.

The foregoing were imperialism's main strategies during the Cold War between the East and West. On this basis, imperialism began contemplating pursuing the peaceful evolution strategy. Dean Acheson was the first to propose that internal strength be used to eliminate the Communist Party. John Foster Dulles, for the first time, clearly and definitely forwarded "peaceful liberation," namely peaceful evolution and for the first time used this as a national policy of the United States. It included four tactics:

1. The Communist Party's internal difficulties were aggravated. There were two methods: 1) The theory of obsoleteness and the theory of uselessness of Marxism-Leninism were made and sham Marxism-Leninism and anti-Marxism-Leninism were used to replace scientific Marxism-Leninism to create chaos among the people; 2) the thought and forces of liberalization in socialist countries were supported.

2. Reactionary organizations were actively supported, helped, and organized to contend with the Communist Party.

3. "Peaceful evolution" was regarded as a long-term tactic.
4. Importance was attached to ideological struggle.

**John Fitzgerald Kennedy:** He clearly and definitely forwarded peaceful evolution. 1) He clearly and definitely forwarded grasping with two hands, grasping an arrow with one hand and grasping an olive branch with the other; 2) Dwight David Eisenhower's large-scale "war of retaliation" was altered and "flexible war of reaction" was proposed. He forwarded ideological war, developed relations with Communist Party intellectuals, and utilized every gap in the Communist Party to develop the seeds of freedom. Meanwhile, Lyndon Baines Johnson also forwarded "promotion of evolution by means of contacts."

## II. Proposal and Development of Peaceful Evolution Strategy

**Richard Milhous Nixon:** He assumed power in 1969 and enhanced peaceful evolution to a global strategy. He published a book "Vanquish Without Battle" in 1988. The specific methods were:

1. The U.S. strategy (peaceful evolution) was popularized as a global strategy, which had two frames: a) New U.S. tactics toward Asia on the basis of Nixon's Guam speech in 1969; b) new peace strategy with partner relations, actual strength, and negotiations as the pillar.
2. The important role of "promotion of evolution by means of contacts" was brought into full play. The aim was to accelerate evolution within socialist countries; the function was to advance the formation of evolution forces within socialist countries. Meanwhile, psychological change within socialist countries was evoked so that people would bring out a sharp contrast between the East and West as well as a contrast materially and spiritually.
3. "Promotion of evolution by means of contacts" was specifically realized and several big changes in international relations were caused: a) There were more agreements signed between the United States and the Soviet Union during Nixon's tenure of office than since the establishment of diplomatic relations between the two countries; b) Nixon's China visit opened the gate of Sino-U.S. relations.

**Jimmy Carter:** He brought about very great diplomatic development and pursued human rights diplomacy, with Nixon's and Kissinger's realistic political relations as the characteristics and occasionally with idealism as the distinguishing feature, to make the United States an international beacon in upholding human rights.

**Ronald Reagan:** His tasks mainly were "to accelerate democratization of socialist countries and to launch peace offensives." They were expressed in three aspects: 1) supporting democratization of the socialist countries and launching peace offensives; 2) stepping up the study of how to accelerate democratization of socialist countries; 3) promoting the democratic movement foundation.

**George Bush:** At the graduation ceremony of Texas Agricultural and Mechanization University on 13 May 1989, he forwarded a new strategy, namely "supercontainment." It included: 1) affirming Gorbachev's perestroika and glasnost and tallying with the interests of the United States and Western countries; 2) continuously adhering to actual military strength and the foundation of the alliance of the United States, West Europe, and Japan, using Gorbachev's perestroika to strive for the self-determination of East Europe, further enabling the Soviet Union to develop toward the direction of reform and opening up, and eventually changing the Soviet social system; and 3) weakening Soviet military strength, trying to make the Soviet Union return to the international community, thus building a new world with Western civilization as the leading factor.

This is a thorough change in the U.S. policy toward the Soviet Union as well as a change in the philosophical thought of U.S. diplomatic policy. As far as courage, aspirations, and targets are concerned, the present U.S. Government surpasses any of the previous ones. The major distinctions are:

1. Strategic targets differ. The previous strategy was that, on the foundation of the Yalta Agreement, the Soviet Union's westward expansion was restricted. However, the "strategy of supercontainment" is different. This will make East Europe evolve to "self-determination" and the Soviet Union evolve toward the West and build a new world of a federation of free states with consistent actions.
2. Functions vary. The previous strategy was merely confrontation and the Soviet Union was made unable to surpass the Western forces, but the "superstrategy" ends the "historic trial of strength" between two systems and upholds "one body, one system."
3. Time and methods of implementation differ. In time, the previous strategy was not specific but the present "superstrategy" will take 20-30 years to achieve one globe, one system within the 20th century. In form, the latter will realize political diversification, private ownership in economy, and ideological liberalization.

### III. Basic Contents of Western "Peaceful Evolution" Strategy

1. Premise—Military threats with the nuclear deterrent as the main content, threatening the opposite side politically, having nuclear strength under control, controlling the world.
2. Foundation—Maintaining the strong points of the economic, scientific, and technological forces.
3. Disposition of forces—Uniting the international bourgeois forces to achieve peaceful evolution. For example, the summit conference of seven Western countries, the EC, the NATO summit, and the Group of 24.
4. Tactics and measures—Overall economic and social ideological infiltration.

### 5. Two strategic targets:

- 1) Subverting socialist countries and turning them into capitalist countries.
- 2) Hindering the Third World countries from taking the socialist road and building a new world of liberalist federation.

### Main Peaceful Evolution Tactics Pursued by Imperialist Countries against Socialist Countries.

#### 1. Economic infiltration.

This infiltration is divided into three stages:

The first stage was embargoes laid and blockades enforced in the 1950s and 1960s.

The second stage was from the 1970s to the 1980s, in which there were no economic contacts with the CEMA but only economic contacts with individual East European countries.

The third stage was economic infiltration. There are three main aims of economic infiltration perpetrated by imperialism:

1. Making socialism turn to capitalism and pursuing the complete market economy.
2. Exerting political pressure and spurring socialist countries on to develop toward the direction expected by the West.
3. Perpetrating ideological infiltration with the commodities as a carrier.

#### 2. Political infiltration.

The major work is political diversification and multipartism. The main contents are:

1. The heads of Western countries receive dissidents of socialist countries;
2. Dissidents are rescued;
3. Dissidents are subsidized with materials;
4. Dissidents are encouraged spiritually;
5. Defection of leaders of socialist countries are directly incited;
6. Spies are directly sent to carry out subversive activities.

#### 3. Ideological and cultural infiltrations.

Imperialism maintains that this is of decisive significance. The major weapon is psychological attack. Moderately violent offensives are launched against socialist countries. This is, the aim is to strive for popular support on the foundation of sapping the people's will. It is held that tough measures will not work but psychological attacks are marvelously effective. It is necessary to buy popular support and these people must lack the consciousness of the state. The main measures are:

1. Operations of multiarms of the services and utilization of all domestic and international forces.
2. Broadcast and radio station propaganda.
3. Taking advantage of personnel's contacts to perpetrate ideological infiltration and using people who can effect socialist policies or have latent influence.

4. Utilizing religions to weaken and contend with Marxist ideology. These include: a) Selecting people in socialist countries who are opposed to the government to act as the pope and cardinals; b) using modern popular propaganda instruments to carry out subversion; c) bishops personally giving lectures and canvassing everywhere in the world.

In brief, imperialism's peaceful evolution tactics against the socialist countries are manifold. At present, the mainland is secretly organizing and establishing a group to find effective countermeasures.

#### Correction to Item on Deng Setting Keynote

HK2502100892

The following correction is made to the item headlined "Deng Sets Keynote for 14th Party Congress" published in the 20 February China DAILY REPORT on page 20:

Make subslug read: [Article by Su Chi (5685 3823): "Deng..."] (inserting word "article" and correcting spelling of author's name)

#### Science & Technology

##### S&T Association Active in Sino-Foreign Exchanges

OW2402191092 Beijing XINHUA in English  
1440 GMT 24 Feb 92

[Text] Beijing, February 24 (XINHUA)—The China Association for Science and Technology has played an increasingly important role in scientific and technological exchanges between China and foreign countries.

According to information released during the second plenary session of the association's fourth congress which was held today in Beijing, 1991 was the busiest year for the association in terms of exchanges. During the year, the association sent 173 academic groups abroad and hosted 117 overseas delegations.

In addition, the organization sponsored 50 international academic meetings which were attended by over 4,000 participants from abroad.

The association also signed cooperative agreement with 15 foreign and international scientific and technological organizations.

##### International Scientific Meetings Scheduled

OW2402135192 Beijing XINHUA in English  
1156 GMT 24 Feb 92

[Text] Beijing, February 24 (XINHUA)—China will hold at least 71 international meetings on science this year, according to the China Association of Science and Technology (CAST).

These international conferences cover a variety of scientific fields including high-temperature superconductors, entomology, substitutes for CFC, medical treatment of

human genes, psychology, philosophy and modern sciences, Chinese medicine and heart diseases.

"While hosting more and more international meetings in China, China will also send more scientists to attend international conferences abroad and to take up jobs at international scientific organizations," a CAST official said here today.

Speaking about the scientific exchanges with Taiwan, Hong Kong and Macao, the official said he expected an increase and even a breakthrough in two-way exchanges of individual scientists and scientific organizations between the mainland and Taiwan province.

"We will carry out joint research and development, and a joint personnel training program with Hong Kong and Macao," he noted. "We hope this kind of cooperation will open up markets abroad for China's technology and products."

##### Meteorologists To Boost International Ties

HK2202052392 Beijing CHINA DAILY in English  
22 Feb 92 p 1

[Article by staff reporter Liang Chao: "Keeping a Closer Eye on World Weather"]

[Text] As China pledges to open wider to the outside world, Chinese meteorologists have said that they plan to increase co-operation with their international colleagues in worldwide weather monitoring and research.

As part of the effort to improve forecasting capacity, the country is planning to launch a new geosynchronous weather satellite which will be capable of covering the whole East Asia region in the mid-1990s, according to an official in the State Meteorological Administration (SMA).

The new satellite will be the third since 1988, when two meteorological satellites were launched offering services all over the world, Chen Guofan, director of the SMA's foreign affairs department, said.

Following its adoption of the open policy in 1978, China started to open weather information exchange lines covering the planet. A meteorological station was also set up in the south polar region.

According to Chen, China has exported equipment to about 40 developing countries. These are for ground satellite stations, air pollution monitoring, typhoon warnings and weather forecasting. They can also monitor forest fires, floods, typhoons, grain-growing areas, fish movements and sea ice.

The State meteorological centre has become one of the most important regional weather centres and telecommunications hubs under the World Meteorological Organization's (WMO) weather monitoring network.

The government is considering the normalization of weather information exchanges with Vietnam by resuming the Beijing-Hanoi weather circuit under the WMO's Global Telecommunication System (GTS) this year.

And the country has decided to invest 300,000 yuan (about \$56,000) to build a background air pollution monitoring station, the first of its kind in the country, in western Qinghai Province, as part of a worldwide network.

Data collected by the station can be used to study conditions in polluted and unpolluted regions.

It will not only help neighbouring countries to appraise the quality of their air but also be open to international scientific circles as a laboratory, when completed.

China has already given more than 3.2 million yuan (\$605,000) and \$40,000 to the WMO's Volunteers Co-operation Programme (VCP), which is, through offering meteorological facilities and training personnel, helping the developing countries to contribute to the World Weather Watch (WWW) programme.

"Though China is still a developing country, we will try our best to make more countries understand the significance and necessity of the work. Weather has no nationality," Chen said.

"China has played a positive role in co-operating with meteorology services worldwide since 1972, when its position in the WMO was resumed."

The WMO was the first specialized institute China joined after the country resumed its seat at the United Nations.

#### **'Dramatic Increase' in High-Tech Patents Seen**

*HK2502023092 Beijing CHINA DAILY in English  
25 Feb 92 p 1*

[Article by staff reporter Yuan Zhou: "More Apply for Hi-Tech Patents"]

[Text] Rapid progress in the protection of high-technology electronic products was reported by a senior Chinese patent officer yesterday.

Gao Lulin, director of the Patent Office of China, told an international forum in Beijing that there had been a dramatic increase in Chinese applications for patents on superconductor materials, high-definition television, super-integrated circuits, computers and Chinese character coding technologies.

China has handled 18,810 patent applications for electronic products and granted 8,217 patent rights for them, Gao said.

He was speaking at a five-day Asian regional training workshop on the use of industrial property and technology transfer arrangements in the electronics industry.

It was organized by the World Intellectual Property Organization (WIPO) in co-operation with the Patent Office of China and the Japanese Patent Office.

N.K. Sabharwal, director of WIPO Development Co-operation and External Relations Bureau for Asia and the Pacific, said that the objectives of the workshop were to promote the use of industrial property in the developing countries in the region, and to facilitate the transfer of technologies.

During the five-day forum, which started yesterday, he said the participants "will survey the state of the art in the electronics industry and examine intellectual property aspects as well as legal and commercial arrangements for the transfer of technology in that industry."

Attending the meeting are about 100 officials and specialists from 13 Asian and Pacific countries including China, Bangladesh, India, Indonesia, Malaysia, Pakistan, the Philippines, Singapore, and Sri Lanka.

According to Lu Guoquan, a senior engineer with the Ministry of Machine-Building and Electronics Industry, many new models, such as chip components, multi-layer printed circuit boards (PCBs), head drums, loading motors and photoswitches, have been developed and produced in China. He said dozens of component models had been incorporated in the listing of qualified products of the International Electrotechnical Commission (IEC).

Another 10 models in six categories of power switch, colour picture tube holder, general purpose relay, remote control relay, power wire, and PCB have passed U.S. UL [Underwriters Laboratories] inspection.

Electronic products worth \$638 million were exported in 1990, he said.

China has more than 1,300 electronic component manufacturers employing 520,000 people.

#### **Nuclear Technology 'Major Breakthroughs' Noted**

*OW2402070792 Beijing XINHUA Domestic Service  
in Chinese 2115 GMT 23 Feb 92*

[By reporter Zhuo Peirong (0587 1014 2837)]

[Text] Beijing, 24 Feb (XINHUA)—China has achieved a major breakthrough in identifying geological formations and selecting strategic zones with uranium ore. On the basis of the achievement, a number of relatively rich uranium deposits have been successively discovered in northern Hebei and Liaoning, east Qin Ling, south-eastern Hunan, and Inner Mongolia, thus providing a brighter prospect for the material foundations for developing the country's future nuclear power energy.

The achievement is one of the 1991 major breakthroughs recently announced by the China National Nuclear Corporation.

China launched nuclear science and technology undertakings under the difficult conditions of pioneering the "two [atomic and hydrogen] bombs." Since then, a comprehensive system has been gradually set up. In recent years, along with the strategic shift in the nuclear industry, the focus of scientific research has been shifted to the construction of nuclear power plants. In light of the need for nuclear power plants, basic research has been conducted and major achievements have been scored successively in applying research fruits to develop the technology. In 1991, 17 nuclear science and technological research projects received national awards.

Of these achievements, especially noteworthy is the breakthrough in the metallurgy of mining and dressing uranium ore. China National Nuclear Corporation's mine No. 719 has increased its labor productivity by more than four times by gradually replacing the several-decades-old "aqueous mining method" with the advanced "heap leaching" technique, which requires a shorter process and smaller investment, is technologically advanced, and has fewer discharges.

In the field of reactor technology, the first pulse reactor designed by China on its own began operation last summer, thereby enabling China to become the second country in the world after the United States to have access to pulsed reactor technology. The pulse reactor recently passed the state verification and acceptance test.

In nuclear fuel technology, China has successfully developed and used plate fuel components for reactors in scientific research. Results show that all major technical indices have reached the advanced level.

In the research for advanced energy sources for controlled nuclear fusion, experts of the Southwest Physics Institute successfully transformed low-energy to high-energy plasma constraint on China's No. 1 gyroscope and obtained standard high-energy constraint mode, thereby enabling China to join the world's advanced ranks in the research of this advanced scientific field.

As for isotope separation, major breakthroughs were also made in tackling the advanced centrifuge method and the separation technology using an atomic laser last year.

#### Success Reported in Nuclear Plant Construction

OW2102175592 Beijing XINHUA in English  
1448 GMT 21 Feb 92

[Text] Beijing, February 21 (XINHUA)—China has achieved new progress in the trial operation of the mainland's first nuclear power station—Qinshan station located in Zhejiang—and the installation of the No. 1 generating unit of the Daya Bay nuclear power station in Guangdong Province has been basically completed.

These achievements indicate that China has entered a new stage in its endeavors to harness nuclear energy for peaceful purposes, according to a top official of the China National Nuclear Energy Corporation.

Designed and built completely by China, the nation's first nuclear power station—the Zhejiang Qinshan power station in east China—was put into trial operation last December 15, after more than 81 months of work. The power station has a generating capacity of 300,000 kw [kilowatts]. Now 40 tests of the equipment are well underway, and the station is expected to be fully operational by this June or July.

At the same time, the design of the second-phase construction of Qinshan nuclear power station has been basically finished, production of a number of major equipment have been arranged and the preparation work for the second phase construction will begin this year.

And the No. 1 generating unit of the Daya Bay nuclear power station—the largest of its kind in China—is expected to start trial operation this summer and to generate power next year. The station has a generating capacity of 900,000 kw. All its key equipment was introduced from abroad.

According to the top official of the China National Nuclear Corporation, the nation will implement the policy of "depending mainly on ourselves and seeking foreign co-operation at the same time" in building the country's nuclear power stations in the future.

#### Satellite Range-Finding Technology Advance Noted

OW2102223792 Beijing XINHUA Domestic Service  
in Chinese 0255 GMT 20 Feb 92

[Text] Shanghai, 20 February (XINHUA)—A double wavelength high-powered mode-locked laser system, used in the range finder of China's first third-generation satellite, has passed the appraisal of the Chinese Academy of Sciences in Shanghai after successful operations by the Shanghai Observatory and the Wuhan Seismological Institute for six years and four years respectively. Experts feel that China's technology in satellite range-finding has reached an advanced international level with this system.

The research in the double wavelength high-powered mode-locked laser system was completed six years ago at the Shanghai Institute of Optics and Fine Mechanics with He Huijuan as the research group leader. The system can produce 1,064 NM [previous two letters printed in Roman caps—expansion unknown] and 532 NM [previous letters printed in Roman caps] picoseconds pulses and can be applied in physics, chemistry, biology, and photoelectricity for high speed changes with powerful optical function. It can also be used for synchronized pump dyestuff [tong bu beng pu ran liao 0681 2975 3119 3184 2676 2436] in order to construct the picosecond dyestuff laser device [jian chen wei wei miao ran liao tiao qian ji guang qi 1696 2052 1792 1792 4432 2676 2436 6148 3383 3423 0342 0892]. This achievement can also be used in the study of nonlinear optics for generating picosecond parameter laser beams whose intensity is widely distributed.

This laser system was initially used at Shanghai Observatory's Yushan Work Station in 1986 in satellite laser range-finding for observing a series of satellites of relevant countries. It was successively used in joint international observation programs such as the rotation of the earth, and it was used in some 1 million operations annually. Using this system, the Observatory succeeded in carrying out satellite range-finding under hazy dawn and broad daylight conditions. Experts contend that this heralds our country as a world leader in range-finding technology.

Wuhan Seismological Institute used this advanced system to participate in joint international observations with satellite range-finding precision reaching 2-3 cm. A large volume of observation materials have been used worldwide in geodynamics programs in setting precise orbits and in determining rotation speeds of satellites, as well as in the study of the parameter of the rotation of earth and the diastrophic phenomena and the degradation of earth crust in the Mediterranean region.

The system of the Shanghai Institute of Optics and Fine Mechanics has been applied in the study of nonlinear optics, in nonlinear crystallization and organic nonlinear materials, with the efficiency of conversion exceeding the norms of notable foreign corporations.

### **Successful Record of Satellite Launches Reviewed**

*OW2102142192 Beijing XINHUA in English  
1357 GMT 21 Feb 92*

[Text] Beijing, February 21 (XINHUA)—China has launched 31 man-made satellites of various kinds so far, and 23 of them were launched in the past decade.

Apart from a commercial telecommunications satellite launched for Asia Satellite Telecommunications Co. Ltd. and another small satellite for scientific experiments for Pakistan, the other 29 satellites were all independently designed, developed and made by China.

These latter satellites were successfully launched by Chinese "Long March" and "Storm" rocket carriers. However, one did not enter its planned orbit due to engine problems.

These man-made satellites consist of ten for scientific and technical experiments, 12 one-mission ones, seven telecommunication satellites, and two experimental meteorological satellites.

All of the recoverable satellites launched by China have been recovered according to plan—a record in the history of space exploration.

### **Scientists, Engineers Awarded Service Bonuses**

*OW2102232692 Beijing XINHUA in English  
1513 GMT 21 Feb 92*

[Text] Shanghai, February 21 (XINHUA)—Six scientists and engineers were each awarded 10,000 yuan (about

1,754 U.S. dollars) in bonuses—equivalent to an average worker's income for five years—here today for "outstanding service" to their enterprises.

The news was announced at the Shanghai Industrial Enterprises Technology Improvement Meeting. The municipal government also awarded other 278 outstanding scientists and technicians and granted 435 prizes for new products at today's meeting.

Five of the six awardees attended the meeting and received their bonuses.

According to local officials, each of the six scientists and engineers has boosted his enterprises' output value by millions of yuan.

Xie Tong'an, one of the six, helped to design the new color TV model C542 for the Shanghai No. 1 Television Factory.

The new model became the factory's best-seller in 1991, bringing in an extra 16 million yuan (about 2.8 million U.S. dollars).

Yang Guangda, whose design of tire earned an extra 600,000 U.S. dollars for his factory each year, said the bonus shows that the government means what it says about rewarding intellectuals who make outstanding contributions.

### **Economic & Agricultural**

**Jiang on Planned Economy Combined With Market**  
*HK2502124792 Hong Kong CHING CHI TAO PAO  
in Chinese No 6, 17 Feb 92 p 17*

[“China Economic News” column article: “Jiang Zemin Speaks on Planning, Market”]

[Text] CPC General Secretary Jiang Zemin further expounded on the issue of combining a planned economy with market regulation in a recent speech. He said: Combining a planned economy with market regulation is not only a necessity, it is also a wholly feasible endeavour, from which certain successful experiences have been accumulated. The substance of such a combination is to combine the merits of planned economy with the merits of market regulation. That, in a nutshell, is utilizing their merits and shunning their demerits.

Jiang Zemin said: Planning and market, as the means of regulating an economy, are founded on the objective requirements of developing a commodity economy which, in turn, is built on the basis of large-scale socialized production. Hence, these means can be used by a socialist as well as a capitalist economy. But of course, the scope of applying planning and market measures is different with each of the two systems.

Citing Japan as an example, Jiang Zemin pointed out: All of the capitalist countries nowadays use some planning measures to regulate their economic activities. With

regard to those key industries which have a great bearing on the national economy and the people's livelihood, it is necessary to strengthen their planning and management.

**'Success' Seen in Job, Income Distribution Reform**

*OW2202101792 Beijing XINHUA in English  
0802 GMT 22 Feb 92*

[Text] Ningbo, February 22 (XINHUA)—The Ningbo Stainless Steel Products Factory, one of 12 plants in east China's Ningbo city piloting reforms of enterprise operational mechanisms, is taking measures with success to improve the employment and income distribution system, aimed at breaking the "iron rice bowl", "guaranteed wages" and "iron leading positions".

These practices to be discarded refer to the system that guarantees a worker's job and pay and a leading official's position for life regardless of their performances and contributions, which are blamed for low work efficiency. To break such practices is one of the country's key steps in revitalizing state-run firms.

In the Ningbo factory, the measures are accepted with understanding by both factory leaders and workers, as they have been throughout the country.

There are over 1,000 workers, and 100 managing personnel in the Ningbo Stainless Steel Products Factory. Three months ago all of them signed labor contracts and turned themselves into contract workers, meaning they have to work according to contracts and will be removed for any violation of contract.

Their wages now range from 400 yuan to 140 yuan a month. Pay is based on the amount of quality work each contributes and the difficulty degree involved in the work process.

"That has greatly changed the situation in which few were willing to do more or undertake dirty and difficult work," said Chen Yinghua, a workshop director.

In the past, the managers and technicians, considered as "government cadres", were paid according to government-stipulated standards, which had no connection with the efficiency of the factory and which could not motivate them to try to make the factory more profitable.

The factory has promised that once a new product becomes marketable, the person who developed the product will be rewarded.

Shi Feng, director of the factory's office for new product development, said that the new measures have resulted in extra achievements by the five technicians in his office, one of them has developed two to three new products a month.

While stimulating workers to work harder, the reform can not avoid cutting down the income of less-competent workers. So far, some five percent of the workers in the factory have found their incomes reduced.

Sun Changgen, a 59-year-old worker who changed his job from a worker to a guard of the factory, with his wage reduced by eight percent a month, still voted yes to the wage reform move at the workers' congress.

He said that although he felt sad about his reduced payment, he thought the move would help revitalize the factory.

"I did not expect that the reforms of employment and wage distribution would be so easily accepted," said Xing Bozhuang, director of the city's office for restructuring the economy.

But, Liang Shiliang, manager of the factory, explained: "The reform is successful because all reform measures have been discussed and approved by the workers' congress."

He said that the factory has a program to retrain incompetent workers at reduced pay, and relocate or dismiss those who are still not up to their job at the end of training to be placed on social insurance. [sentence as received] All workers readily accepted the program, he added.

Like in Ningbo, such reforms are being conducted in Beijing, Liaoning, Guangdong, Zhejiang and other provinces and cities.

Officials note that the reform measures are accepted calmly by people from all sides.

**Efforts To Promote Foreign Trade Discussed**

*OW2202110592 Beijing XINHUA Domestic Service  
in Chinese 0801 GMT 21 Feb 92*

[By reporter Li Yafei (2621 0068 7236)]

[Text] Beijing, 21 Feb (XINHUA)—In what amounted to an expansion of independent operations in export business, eight enterprises—including the Beijing General Internal Combustion Engine Factory and the Beijing Municipal General Machinery and Electronics Factory—were recently authorized to undertake export and import business. This has brought to more than 20 the number of state-run large and medium-sized enterprises and conglomerates permitted by the authorities in Beijing Municipality to engage in foreign trade.

The move was an effective measure adopted by the authorities in Beijing Municipality to support and assist state-run large and medium-sized enterprises in their drive to open wider to the outside world, to compete in the international market, and to bring in funds, technology, and advanced management expertise.

State-run large and medium-sized enterprises in Beijing Municipality currently number 347. Though representing only 6.7 percent of local industrial enterprises, they possess fixed assets whose original value accounts for 69.8 percent of the total value of fixed assets and

deliver 77 percent of all profits and taxes. They constitute an important pillar in the national economy and provide the foundation for opening the capital city to the outside world.

The authorities in Beijing have actively helped qualified production-oriented enterprises undertake independent operations in export business. They have encouraged state-run large and medium-sized enterprises to tailor their production to the demands of the international market through direct participation in competition. This has expedited technical progress and product renewal in enterprises. Last year, independently operated export enterprises in Beijing exported \$125 million worth of goods, up 37.2 percent from the previous year. Exploiting the advantages enjoyed by foreign trade companies in international market information and operations, the authorities in Beijing actively helped state-run large and medium-sized enterprises sell their products in the international market through sales offices and agents. They provided timely information to enterprises to help the latter restructure their product mix and improve product quality in light of the demands in the international market. Since opening to the outside world, Beijing has imported 1,916 technologies and concluded \$2 billion worth of deals to sharpen the competitive edge of state-run large and medium-sized enterprises in the international market. This has sharply improved the technological levels of Beijing's iron and steel, chemical, automobile, machine-building, electronics, light, textile, and building materials industries, and enabled state-run large and medium-sized enterprises to conduct technical transformation. Beijing has begun to export steel-smelting, electricity generating, and papermaking whole plant equipment.

In addition, the authorities in Beijing have lent active support to state-run large and medium-sized enterprises in utilizing foreign capital and in establishing foreign-funded enterprises. They have encouraged the implementation of joint or cooperative operations in a factory, and pursued "two systems within a factory" by initiating joint or cooperative cooperations in a workshop or on a project. Municipal authorities have worked hard to set up a group of large foreign-funded enterprises that play an industry-wide leading role, including the Beijing Matsushita Color Kinescope Limited Company, the Beijing Jeep Limited Company, and the Beijing Babukeke Weersi [name as received] Limited Company. Last year, 15 such enterprises generated more than 50 million yuan worth of annual output value. Their gross output value and total profits represented 71 percent and more than 83 percent, respectively, of those posted by enterprises belonging to the "three types of joint ventures" in Beijing. Since the beginning of this year, Beijing authorities have paid greater attention to helping state-run large and medium-sized enterprises develop cooperative ties with transnational companies that are well-funded, technologically advanced, run with advanced management

expertise, and served by global sales networks. Moreover, the authorities are currently negotiating the establishment of some large and medium-sized joint ventures in the electronics, chemical, and automobile sectors.

Additionally, the authorities in Beijing have actively helped and encouraged qualified state-run large and medium-sized enterprises to set up overseas operations. The Shoudu Iron and Steel Company, the Beijing Chemical Conglomerate, the Beijing No. 1 Machine Tool Factory, the Beijing Guanghua Timber Factory, and the Beijing Wool Knitting Industrial Company have set up factories abroad. They have promoted exports of products and labor services through investment in technology and equipment, hoping to move gradually to internationalized operations by acquiring advanced foreign technology and management know-how through such exports.

### **Beijing Steelmaker Plans Global Expansion**

*HK2302052392 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 23 Feb 92 p 1*

[Article by Zhang Yu'an: "Steelmaker Kicks Off Global Expansion"]

[Text] The Capital Iron and Steel Corporation, one of China's top 10 steelmakers, will stage an overseas campaign this week that the Beijing-based firm expects to help squeeze it into the top 500 companies in the world.

Pan Huayuan, vice president of the corporation, will lead a group of experts and executives to India, Thailand, Malaysia, the Philippines and Indonesia for 20 proposed projects involving export and cooperation. The largest contract among the projects may be worth \$600 million.

Demand for steel is high in these countries and the steel industry is developing fast there.

"The tour is our first important step towards the goal of squeezing into the world's top 500 enterprises by 1995," Pan told BUSINESS WEEKLY.

With that in mind, the corporation has mapped out a blueprint to develop its overseas business.

"Above all, we will focus our efforts on developing cooperative ties with South and Southeast Asian countries," Pan said.

As far as India is concerned, Pan said, the corporation pays special attention to strengthening cooperative ties with the second-most-populous country in Asia.

During their stay in India, the delegation is likely to make some deals on supplying Indian steelmakers with blast furnace designs and associated equipment, Pan said.

The 500-cubic-metre blast furnace designed and manufactured by the corporation is so far the most advanced

of its kind in the world and can produce 50 percent more iron each year compared to similar blast furnaces made by the West.

Last year, the corporation made its first deal to supply India with a blast furnace. Now India wants several more of the 500-cubic-metre blast furnaces.

The company is likely to discuss a bigger deal during the visit with some Indian businesses, but Pan did not give details.

In Thailand and Malaysia, the delegation will talk with their counterparts on projects involving steel rolling, continuous billet rolling, wire rod mills and blast furnaces.

In the Philippines, the group's big push is to achieve satisfactory results on a large iron and steel project there with a designed annual production capacity of 1 million tons. Investment in the project is estimated to reach \$600 million, Pan said.

A feasibility study for this project was completed by the corporation last year.

The last stop in the five-nation tour is Indonesia, where the delegation will probably participate in the ceremony for official operation of the bar mill that the corporation supplied to the country last year, Pan said.

The corporation's first deal in Indonesia shocked not only the Southeast Asian states, but also Western steel companies. Southeast Asian countries used to buy steelmaking equipment only in the West.

Encouraged by that success, the delegation is now determined to make more such deals during their stay in Indonesia, including to provide Indonesia with their wire rod mills, Pan said.

Due to their successful advance in the steelmaking market in developing countries, the corporation has now found favour in the eyes of Western steelmakers.

So far, four world-famous steelmaking machinery producers from Western Europe have proposed to cooperate with the corporation jointly to manufacture steelmaking machinery and supply developing countries.

Soon, Pan's corporation will send out more groups to Pakistan, the United Arab Emirates, Saudi Arab and Iran for business talks.

It is ready to explore opportunities in Africa and Latin American as well.

The Capital corporation already has eight specialized companies and more than 100 factories involved in 14 other industries besides steelmaking.

Last year, it produced nearly 5 million tons of steel, earned 2.36 billion yuan (\$437 million) in profits and exported \$210 million worth of steel products and machinery, Pan said.

### Increases in Arts, Crafts Exports Reported

HK2202064292 Beijing CHINA DAILY in English  
22 Feb 92 p 2

[Article by staff reporter Qu Yingpu: "Arts, Crafts Trade Sets Higher Goal"]

[Text] China's export of arts and crafts has been kicked off to a good start this year after a bumper harvest of hard currencies in 1991.

The country's top foreign trader in this field, the China National Arts and Crafts Import and Export Corporation (CNART), is catching sight of another fat year, expecting an export volume of \$1.1 billion in 1992.

This target, disclosed by CNART President Liu Peijin, is already \$100 million more than the record export volume set last year.

Liu said he is confident the target will be hit, citing hefty increases in overseas sales in January.

The corporation reported an export volume of \$84.56 million last month, 10.83 percent more than in January 1991, he said.

Excluding sales of embroidered lace, an item CNART is authorized to monopolise in foreign trade in the country, the corporation's independent exports totalled \$11.78 million, a sharp increase over the \$6.4 million in the corresponding 1991 period.

Meanwhile, the corporation's imports of arts and crafts also increased from \$6.4 million in January 1991 to \$13.45 million last month.

CNART mainly deals in embroidered lace, jewelry, diamonds, carvings, painted items, toys, stationery, carpets, shoes, hats, gloves, umbrellas, handbags and rattan goods, selling most of its products to Hong Kong, Japan, the United States and Western Europe.

Liu said the corporation's economic achievement was the result of reforms in the last five years.

CNART, set up 26 years ago, formerly had the monopoly on exports and imports of arts and crafts items. Only in the mid-1980s was CNART required to shoulder its own profits and losses.

The reform policies CNART has undertaken mainly include a contract responsibility system and decentralization of decision-making power, Liu said.

After the responsibility system broke the big "rice bowl," the bonus of each staff member was decided according to the work accomplished and the profits the work brings the corporation.

Last year, he said, the highest bonus was about 70 percent higher than the lowest.

The corporation also granted decision-making power to the managerial staff, which has saved a lot of paper work and greatly improved efficiency, he said.

To keep up the present business growth, Liu said, CNART is bringing provincial traders in the arts and crafts sector together to form a national business group.

About 60 companies from across the nation met at the end of last year to discuss establishment of the group and will meet again this year.

The group, when formed, is expected to check the spread of shoddy arts and crafts items to the world market and curb dumping activities.

Several provincial companies have told CNART that they are interested in joining the 18 CNART companies in the United States, Germany, Britain, France, Japan, Italy, Australia, the Middle East, Hong Kong and Macao.

### **B Shares Sell Briskly on Shanghai Exchange**

*OW2202095992 Beijing XINHUA in English  
0826 GMT 22 Feb 92*

[Text] Shanghai, February 22 (XINHUA)—Special shares of Renminbi-based B shares sold briskly on Friday at the Shanghai Securities Exchange.

The shares, which are primarily sold to overseas investors, are valued and sold in renminbi, but are redeemed in various foreign currencies at the current renminbi-U.S. dollar exchange rate. The one million shares on sale Friday were issued by the Shanghai Vacuum Electron Device Company Limited.

The closing price for the shares had climbed from a 71 U.S. dollar opening price to 88.50 U.S. dollars at closing. On the first day of trading a total of 3,430 shares were sold to investors from Europe, Japan, Australia, the United States, Hong Kong, Macao and Taiwan.

Authorized agents for the shares include the Swiss Banking Corporation, Sun Hung Kai Investment Services Ltd., and Solomon Brothers of Hong Kong. The agents reported that active sales of available stocks resulted from a lack of sellers, and they expressed hope that additional varieties of B shares will be offered on the market in the future.

The Shanghai Securities Exchange has established a computer network link with the REUTER news agency to provide the latest information concerning share prices.

### **'Roundup' Urges Laws To Govern Securities Market**

*OW2202071092 Beijing XINHUA in English  
0651 GMT 22 Feb 92*

[Roundup: "Bright Prospects for China's Securities Market"]

[Text] Beijing, February 22 (XINHUA)—China's securities market experienced a rapid but steady growth during 1991, thereby laying a solid foundation for its future development.

In 1991, senior state officials repeatedly called for the issuance of more stocks, and the central government listed the securities market as one of the major means for reforming the country's financial system.

Since the beginning of this year, many party and state leaders, including Jiang Zemin, Li Peng and Yang Shangkun have visited the Shanghai Securities Exchange, one of the two such exchanges in the country.

China began allowing enterprises to float shares in the mid-1980s, and since that time a number of banks and financial institutions have also issued financial bonds.

In 1991, the Shanghai Securities Exchange recorded an all-time high transaction volume of 11 billion yuan, a five-fold increase over the total volume for the previous five year period. At the same time, the Shenzhen Securities Exchange, China's only other stock market which is located in Guangdong Province, recorded a total transaction volume of over 360,000 yuan.

In addition, the central government continued to examine the possibility of opening more securities markets in Shanghai and Shenzhen. Meanwhile, a computerized trading system was installed in the Shanghai Securities Exchange, and a similar system will be installed in the Shenzhen exchange in the near future.

Even though many enterprises in other parts of China find that their shares are still not allowed to be traded, the People's Bank of China has granted a large number of financial organizations throughout the country official authorization to trade bonds.

Despite the limited variety of stocks available, Chinese citizens have exhibited increasing interest in investing in securities.

The government has also explored the possibility of allowing financial institutions to subscribe and sell state bonds, and during 1991 a large portion of state bonds were purchased by individuals through such financial institutions.

Recent statistics show that Chinese citizens now have over 900 billion yuan in savings deposits and 200 billion yuan in cash. In addition, they hold negotiable securities valued at over 200 billion yuan.

According to financial experts, the people are eager to invest their surplus funds in securities. However, they cautioned that people should be aware of the risks involved in trading on the security markets.

The experts pointed out that most people are wrong when they believe that their investments, especially stocks, are guaranteed.

For example, during the first nine months of last year, a number of investors in Shenzhen learned of the risks involved after witnessing sharp declines in stock prices, and an often flat market. Recently, in addition to publishing stock offerings, local newspapers began to publish warnings such as "the stock market is subject to risks."

At present, the government is drafting regulations and rules to govern the securities market. And, the Shanghai and Shenzhen Securities Exchanges have improved administrative rules based on past experience. However, the government has not as yet drafted laws which are suited to the current situation. What is needed are laws governing companies which issue shares, as well as securities laws and regulations governing stockbrokers.

Nonetheless, experts express great optimism concerning the future development of the country's securities market. They say such development will be greatly enhanced because enterprises will be allowed to find new and better methods of attracting funding for technological renovations.

#### Hong Kong Firm Wins Trademark Patent Right Case

HK2302074792 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0534 GMT 15 Feb 92

[By Peng Weixiang (1756 0251 4382)]

[Text] Beijing, 15 Feb (ZHONGGUO XINWEN SHE)—Just when many teenagers in Mainland China were crazy about video games, Hong Kong's Dongkun Company, Limited, was fighting for the trademark patent right for its product, "Little Genius"-brand electronic games.

The Guangdong Higher People's Court arbitrated the case not long ago, with Hong Kong's Dongkun Company winning the lawsuit.

Back on 20 June 1989, Hong Kong's Dongkun Co. Ltd. obtained a certificate for the trademark registration of "Little Genius" as well as the trademark patent right.

In February 1990, Dongkun Company discovered that Foshan's Shiwan Retailer of Educational Devices was selling "Little Genius" games produced by Zhuhai Lianhua Electronics Factory; consequently, the company brought a bill of complaint in the Foshan Intermediate People's Court, demanding that its trademark patent right be protected.

At the first trial, the Foshan Intermediate People's Court ruled that Zhuhai Lianhua Electronics Factory lost the case, but the latter was not convinced of the ruling and appealed to the Guangdong Provincial Higher People's Court.

According to the final ruling of the Guangdong Provincial Higher People's Court, existing labels and wrappings for counterfeited "Little Genius" games were to be confiscated; counterfeit computer games and devices copied handed over to relevant departments by the court

to be sold at a certain price; and the Dongkun Company given compensation of some 340,000 yuan.

#### 'Poor-Quality' Products 'Flooding' Local Markets

HK2402104792 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0748 GMT 17 Feb 92

[“Special feature” by Hong Hai (1347 3189): “China's Poor-Quality Products Cause a Loss of 200 Billion Yuan to the State Each Year”]

[Text] Beijing, 17 Feb (ZHONGGUO TONGXUN SHE)—Counterfeit and poor-quality products currently flooding the market have become a major social evil in Mainland China. Causing a loss of 200 billion yuan to the state each year, these products have also gravely infringed upon the consumers' rights. In the past few days, Beijing television and radio stations and newspapers have brought to light a number of cases, strongly urging governmental departments in charge to adopt resolute measures to check this evil phenomena which has brought great damage to the country and the people.

A survey has shown that at present, the total number of fine-quality and first-class products accounts only for less than one-third of the total products turned out by China's key industrial enterprises, while the total amount of losses caused by poor-quality products has equaled 15-20 percent of China's total industrial output value. Large quantities of raw and semifinished materials, energy, labor forces, and capital have been engulfed by this "big rat." Based on this survey, experts estimate that the state loses at least 200 billion yuan each year for no purpose. This amount is sufficient to make up China's financial deficits for a dozen years, equals the total consumption of urban and rural residents throughout the country for over 100 days, and is adequate to complete several Three Gorges projects.

According to statistics provided by Henan Province's industrial departments, supposing poor-quality products account for 15 percent of the province's total industrial output value, Henan will lose about 15 billion yuan in producing poor-quality goods each year, an amount twice as much as Henan's total industrial and commercial taxes in one year. This figure is much higher than the province's total local financial revenues.

Many examples have shown that counterfeit and poor-quality products have infringed upon the rights of consumers and even endangered their health. Cases already brought to light are shocking. According to a list of "seriously unqualified foodstuffs" released by the Chinese Ministry of Public Health in 1991 based upon a survey conducted among 2,000 factories across the country, 98 brands of cold drinks, 15 brands of milk powder, 13 brands of wine, 51 kinds of cakes, and nine brands of cooking oil were among those listed. There were many cases in which groups of consumers were poisoned, sometimes even deaths were caused, by wantonly counterfeited foodstuffs or by food products which seriously fell short of the state's hygienic requirements.

Public opinion in Beijing has pointed out: The large quantities of counterfeit and poor-quality products turned out by factories and enterprises have become a major obstacle hindering China's efforts to develop a modernized economy. People attribute the present production of large quantities of counterfeit and inferior products to the following four reasons:

1. Due to China's insufficient supplies of means of livelihood over a long period of time in the past, people now find it hard to demand constant improvements in the quality of commodities. Such a consumption feature has naturally given rise to a vicious circle, which encourages producers to attach little importance to or totally neglect the quality of their products. As a result, the phenomena that "a poor man is not choosy about his wife" is nothing new in market supply.

2. The pattern of a product economy, which has been in practice in China for a long time, has given people the most blunted sense of market competition. Under such a situation, it goes without saying that quality, which is actually the most important measurement for a product, is given the cold shoulder. The "casual" economic management method featured by lack of "responsibility" has cultivated a careless and inattentive work style among many people. On the other hand, as soon as they are turned out, many factories' products will go directly into "reservoirs," that is, commercial warehouses, which will then be used to "guide" market consumption. Such a process not only lacks the guidance of consumers but also excludes their leading role in supervising the quality of products.

3. Due to some deep-rooted Chinese traditional concepts, such as "making concessions to avoid trouble" and keeping on good terms, people find it difficult to always adhere to the principle of "strictness" in ensuring quality control. In 1987, Beijing planned to hold a national "exhibition of inferior-quality products." When news spread to the origins of such products across the country, leaders of many localities and factory directors felt that such an exhibition would make them "lose face"; therefore, they went to Beijing to plead for mercy. As a result, the exhibition ended before it ever started.

4. In recent years, lawless criminals have run rampant. To reap staggering profits, they have wantonly copied and manufactured others' products; moreover, they often use "sugarcoated bullets" to gang up with officials in charge of sales links with an aim to entrap consumers in legal markets. This year, the departments in charge have launched for the second time the "Year of Quality, Variety, and Efficiency" campaign. If only it would not be a touching slogan again! Chinese citizens all hope that "actions can be taken in real earnest" this time.

#### **State Council Official Cited**

*OW1802090192 Beijing XINHUA Domestic Service  
in Chinese 2110 GMT 18 Feb 92*

[Interview with Zhu Yuli, director of the General Office of the State Council Leading Group for Quality, Variety, and Efficiency, by reporters Tang Hong (0781 5725) and

Yan Jianjun (7346 1696 6511); "What Does Quality Mean After Enterprises Have Geared Their Operation to Market Needs?", date, place of interview not given]

[Text] Beijing, 18 Feb (XINHUA)—According to a State Council decision, Chinese enterprises must continue to make efforts this year to ensure quality, variety, and the profitability of their goods. In this connection, we interviewed Zhu Yuli, director of the General Office of the State Council Leading Group for Quality, Variety, and Efficiency, and director of the State Bureau of Technological Supervision. His talks centered on the relationship between quality and replacement of enterprises' operating mechanisms.

Zhu Yuli said: In the past, our enterprises lacked a sense of crisis because no matter how successfully or unsuccessfully they operated, the state would bear the full responsibility. Thus, even when these enterprises operated in the red, they would still give bonuses to their workers. Now, when our enterprises gear their operation directly to market needs, they have to subject themselves to fierce competition. The market is merciless, and inferior products will have no buyers. This will force our enterprises to pay attention to improving the quality of their goods and to make profits by producing quality goods.

On the quality of today's goods, we asked him why, in all samplings conducted by the state in the past, the rate of goods of acceptable quality sold in the market was always about 20 percent below the rate of goods of acceptable quality as reported by industrial enterprises. Zhu Yuli replied that, in addition to goods coming from large and medium-size state enterprises, joint ventures, cooperative enterprises, foreign-funded enterprises, and rural enterprises, the market also has goods delivered there through all types of "underground" channels. Lawless elements have used all sorts of illegitimate means to push bogus and shoddy goods into the sphere of circulation. Damage and wear and tear during handling have, of course, also adversely affected product quality.

Talking about remedial measures, Zhu Yuli said that relevant authorities should make great efforts to deal with the problem in a comprehensive manner. First of all, commercial enterprises must be aware of the importance of serving consumers, and they must check the quality of goods before accepting them. They should provide warranties to ensure the quality of the goods they sell, and also provide three types of followup services after the sale. They should also promptly provide feedback to manufacturers so that they can improve the quality of goods they manufacture. This will create a good cycle in which all departments will do their jobs properly in a coordinated manner.

The priority of this year's economic restructuring is to replace enterprises' operating mechanisms. What will state departments in charge of product quality do to promote this project? Zhu Yuli said: We will sample more products to ensure their quality. From now on,

each quarter we will sample more than 2,000 enterprises producing approximately 50 categories of goods, instead of sampling 1,000 enterprises producing approximately 30 categories of goods as before. Second, we will also make unannounced samplings so that the sampling can reflect the actual quality of goods. Third, we will strictly handle those enterprises which produce or sell bogus or shoddy goods. Those enterprises whose products fail to measure up in the first sampling will be publicized in the media and charged to improve within a deadline. And if their goods still fail to measure up in the second sampling, we will report their case to relevant authorities to fire their managers, and these managers will not be permitted to become managers again at other enterprises. Meanwhile, we will also intensify control of purchases at all stages. Fourth, we will encourage those enterprises which produce quality goods by giving them preferential treatment in terms of loans, appropriations, and allotments of raw and semi-finished materials, energy, and transportation services. Four additional indexes—percentages on the value of quality goods, the value of new products, quality losses, and marketability—will be added to the current experimental indexes—indexes concerning output value and profits—required by state statistics. This will provide a scientific basis for improving product quality.

To penalize those who are directly responsible for producing or selling bogus or shoddy goods, Zhu Yuli stressed: In addition to the aforementioned disciplinary measures, we will also adopt strict economic measures to penalize those enterprises which have serious problems. We will hit them on their sore spots and make them suffer, even go bankrupt. Those whose problems are particularly serious will also have their criminal responsibilities investigated. The "Law Governing Product Quality," which is being drafted, will provide clear-cut guidelines for distinguishing what is legal and what is illegal when products are being produced, stored, delivered, and sold. We will punish those who have caused great losses as result of producing and selling bogus and shoddy goods.

Zhu Yuli concluded that when enterprises gear their operation to market needs and operate independently, their competition in ensuring the quality of their goods will become even more vigorous, and that they must redouble their efforts because the course of improving the quality of goods is long and tortuous.

#### Nationwide Quality Drive 'Surging'

HK2302053792 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 23 Feb 92 p 4

[Article by Chang Weimin: "Drive To Wipe Out Inferior Goods"]

[Text] A nationwide drive to expose qu... problems is surging, sending a strong signal that the Chinese Government is determined to wipe out this "tumour" that is badly hurting the economy.

Every day, reporters and cameramen are keeping their eyes and ears open for counterfeit and sub-standard goods on the shelves and exposing them on national television, radio and in newspapers.

Such a move is a continued and indepth extension of 1991, the Year of Quality, to facilitate expansion of the nation's economic reforms, analysts say. The hope is that the movement will instill a deep national sense of pride in quality, a job long overdue in a rapidly developing economy.

Rampant manufacturing and marketing of inferior products in China will be handled without mercy, and those who will not change will be out of a job and their companies out of business as the public outcry to "stop the thief" grows louder.

Sixteen high-profile Chinese media and quality control agencies launched the campaign early this month, and over the past few weeks, producers and retailers of some inferior goods have been named in newspapers and on television.

Those hyping the campaign include XINHUA NEWS AGENCY, China Central Television Station, PEOPLE'S DAILY [RENMIN RIBAO], The State Bureau of Technical Supervision and China Quality Control Association.

Quality surveys conducted at manufacturing plants on 4,000 products last year show that 80 percent reached State standards, 3.1 percentage points higher than in the previous year.

Experts attributed the improvement to that year's nationwide campaign called "Quality, Variety and Efficiency."

However, an inspection conducted late last year at retail shops in 10 big cities including Beijing, Shanghai, Tianjin and Guangzhou showed that 41 percent of 220 goods were below quality requirements.

Moreover, reports show that manufacturing and marketing of inferior and counterfeit products have been rampant.

Letters have been flooding in to quality control societies for years, complaining of inferior goods that damaged consumers' health as well as State interests.

A report in the ECONOMIC DAILY [JINGJI RIBAO] said large quantities of coal were either below quality requirements or were mixed with garbage.

Experts estimated such bad coal caused a waste of the country's railway transportation capacity by more than 30 million tons, or 600 million yuan (\$109 million) in direct damages, in a single year.

In another report, the newspaper said that in Harbin, capital of the northeast province of Heilongjiang, more and more people suffered from eating contaminated pork.

Between January and May of last year, more than 1,000 persons in Harbin caught pork measles, or pork cysticercus, in which the stomach is infested with hard-to-kill worms. Only 250 persons in all of 1985 were infected.

In the newly-launched campaign, problems were also found on quality of exported products. Last week, three beer and wine manufacturers were banned from exporting their products.

Early this year, reform-minded high officials urged newspapers and television stations to expose quality problems without limits or leniency.

Now, as the campaign gains momentum, product quality has become a hot topic in conversations and in newspapers.

However, as quality problems have plagued the country for years with no change, many people still prefer to take a wait-and-see attitude toward the campaign.

Some quality control officials say they are confident they can solve the problems. Strong moves will be made to eliminate inferior and counterfeit products from markets this year, they say.

According to officials from the China Quality Control Association, China will convene its first national conference on product and service quality work next month.

In addition, the country's quality law, which has been submitted to the Standing Committee of the National People's Congress, the country's legislative body, is expected to come out this year.

### **Press Reviews, Appraises Three Gorges Project**

HK2102151192

[Editorial Report] With a view to the approaching March opening in Beijing of the Fifth Session of the Seventh National People's Congress (NPC), which will deliberate a motion on the construction of the Three Gorges dam on the Yangtze River (Chang Jiang), the PRC press has published numerous articles positively appraising the project.

### **Questions, Answers on Three Gorges Project**

A four-part series entitled: "Questions and Answers on the Chang Jiang Three Gorges Project" was published in Beijing GUANGMING RIBAO on 19, 22, 24, and 26 January. The lengthy article is excerpted from a book entitled *100 Questions on the Chang Jiang Three Gorges Project*, which was "compiled and edited by the preparatory office of the China Three Gorges Project Development Company and is to be published by the GUANGMING RIBAO Publishing House."

### **I. Background Information**

The first installment of the series gives a brief background about the Three Gorges project, from its conception in 1958 through its gradual conceptualization, highlighting its principal objectives and features. It cites in particular a directive issued by Mao Zedong and the personal involvement of Zhou Enlai.

In order to highlight the "great importance attached by the central authorities" to the project, as well as its respect for and consideration of "different views," the article enumerates the numerous conferences, expert studies, fact-finding expeditions, and solicitations of opinions from various sectors undertaken from 1958 to September 1989—except for a brief interruption to the project due to "temporary economic difficulties in the country in 1959 and the special historical conditions posed by the 'Cultural Revolution.'" It notes that a new feasibility study was presented to the State Council in September 1989 with the following conclusion: "The Three Gorges project is essential to the four modernizations. It is technically sound and economically rational." It also recommended that "the project be carried out" and "to do so sooner rather than later."

The article repeatedly underlines the "overall benefits" to be derived from the project in terms of effective flood control, a clean electricity source, improved river transport, and "diversion of southern waters to the north." It details how the project would ease threats of "destructive" flooding along the middle and lower reaches of the Chang Jiang through the construction of a 175-meter-high dam and a reservoir which can hold 22.15 billion cubic meters of water, thus greatly boosting the flood control measures along the Jing Jiang section and protecting the city of Wuhan from a possible assault of flood waters.

### **II. Project Benefits**

The second installment of the GUANGMING RIBAO series details the functions of the Three Gorges project in terms of flood control, power generation, river transport, and, ultimately, the "economic development in eastern, central, and southwestern China." The flood control operations are again described in order to underscore the "vital strategic role" of the Three Gorges project in flood prevention along the middle and lower reaches of the Chang Jiang, particularly the Jing Jiang section, "the most dangerous and outstanding problem in flood control along the Chang Jiang." The article also raises other alternative flood control measures, like raising the dams, opening up new flood-diversion channels, and building more water reservoirs along the upper reaches of the Chang Jiang, but these are all ruled out as being "inferior" to or "no substitute" to the Three Gorges project because of "exorbitant costs (not lower than the Three Gorges project itself), a high degree of difficulty, and the fact that they are uneconomical and impractical," among other things.

The article emphasizes the economic benefits to be derived from the Three Gorges project in the form of clean, abundant, and easily accessible hydro-powered electricity, as well as a vastly improved river transport system in eastern and central China by expounding on the current shortages and problems, citing figures, and depicting the potential improvements and advantages to be reaped from the Three Gorges project.

The article concludes by addressing a question of concern about the project: Geological stability of the project site, intensity of possible earthquakes, and possible occurrence of dam-induced earthquakes. According to the article, "explorations, analyses, and verifications conducted through technical and advanced means over the last 30 years" on the geological stability of the project site have led to the conclusion that the Three Gorges project site is "an area of fairly weak earthquake activities" and that there is "little possibility of strong earthquakes" occurring "within a 17 km to 60 km vicinity of the dam site." As for possibility of the project causing earthquakes, the article explains that the geological formation of the Three Gorges project site makes it "unlikely" to "induce strong earthquakes." Should an earthquake be induced, it would "not measure more than the intensity 7 that the project is designed to resist," hence "the security of the project will not be affected." (This second installment of the series is also published in two parts in Beijing RENMIN RIBAO OVERSEAS EDITION on 13 and 19 February.)

### III. Silt, Other Issues

The third installment of the series discusses the technical measures taken to filter out soil debris into the Three Gorges reservoir and draws a primarily positive picture of the project's impact on the ecology and environment. While the article concedes that the project would have a "definite effect on the scenery of the Three Gorges," it assures that such effect would be "minimal."

The article also addresses the question of how much land will be submerged or inundated by the project, estimating that "a land area of 632 square km" which covers 19 counties in Hubei and Sichuan provinces will be submerged by the project. On the issue of the number of people to be resettled by the project, the article does not give the precise number of affected people, simply explaining the two methods used to calculate the number of people to be resettled.

### IV. Air Defense, Economic Aspects

The fourth and final installment of the GUANGMING RIBAO series studies the question of civil air defense connected with the Three Gorges project, an issue which was raised by Zhou Enlai as early as October 1958. According to the article, results from more than 30 years of studies have asserted that because of its "concrete structure, geographical location, and solid construction," the Three Gorges dam itself possesses "a fairly strong capability to resist attack by conventional weapons."

However, the principal civil air defense methods connected with the project is "to discharge the water and lower its water level in times of war." This will then "minimize losses caused by the bursting of the dam" and effectively "decrease the value of the dam as a strategic target of attack." The article stresses that "it is the opinion of experts that the question of civil air defense should not be the deciding factor on whether or not to build the Three Gorges project."

The financial and economic aspects of the project are also discussed in the final installment, including investment estimates put at "57 billion yuan according to 1990 price estimates by experts from concerned departments." The article outlines the principles to be observed in raising funds for the project, notably citing the need to "diversify the sources of financing, insist on reform and opening up, adequately handle short term and long term interests as well as departmental and overall interests in economic development."

The article uses charts and cites figures to underline the fact that the "state can absorb the Three Gorges project in terms of financial and material resources." It admits that while price increases would affect the project, the "state's investment capabilities would also be boosted correspondingly." Furthermore, the article refers to a study by Zhejiang University to allay concerns about the project triggering inflation in the country, stressing that the Three Gorges project would have "at most, a 0.67 percent effect on the comparable prices of the total industrial and agricultural output value in the year 2000," and that this "would not affect the strategic goal of quadrupling" this output value by then.

The four-part series concludes by summing up the positive far-reaching impact of the Three Gorges project on the national economy, as well as the economic, ecological, and scientific gains to be derived from the project.

### Positive Reactions to Project Featured

Beijing's RENMIN RIBAO has devoted a special section, "Three Gorges Project Forum," to reinforcing the arguments in favor of the project. This section, published on a semiregular basis, features commentaries and reactions to the Three Gorges project.

The 26 January RENMIN RIBAO published, under this Three Gorges section, an article by Shen Gencai [3088 2704 2088], an expert on power systems and presently a top adviser to the Ministry of Energy Resources. The article reiterates the "enormous benefits" to be gained from the Three Gorges project in generating much-needed hydroelectricity for the energy-starved central and eastern regions of China. According to the author, the Three Gorges project will provide "installed capacity worth 17.68 million kilowatts" and "annual generated electricity of 84 billion kilowatt-hours" to central and eastern China, two regions which suffer from severe power shortages. This shortage is aggravated by rising population, lack of coal resources, and an inadequate

railway transport system, further underlining the "indispensable" need to build the Three Gorges project in line with the national economic development plan. Moreover, the author writes that "all static investments in the Three Gorges project can be recovered two years after completion of the project," adding to its attractiveness.

The Three Gorges section of the 2 February RENMIN RIBAO featured an article which highlights the generally positive impact of the Three Gorges project in boosting river transport along the Chang Jiang. The two authors, both Ministry of Communications officials—Tang Guoying [0781 0948 5391], director of the Chang Jiang navigation administration, and Lu Wangcheng [7120 2598 4453], deputy director of the Chang Jiang river transport planning office—contend that "generally, the building of the Three Gorges project would benefit the waterways." They cite as potential benefits improvement of travel conditions along the Chongqing-Yichang section, considered the "most difficult and costliest" section along the mainstream of the Chang Jiang; expansion of river transport capability; accessibility to bigger, more modern shipping fleets; lower transport costs; and higher water levels during dry seasons. The authors do caution about some problems which "must be studied further in the next designing stage." These include, among other things: possible choking of ports and waterways by silt, river transport problems during project construction, and possible "adverse effects" to the waterways on the lower reaches of the Gezhouba dam.

The "Three Gorges Project Forum" section of the 16 February RENMIN RIBAO featured an article entitled: "Suggest Early Decision and Early Start to Three Gorges Project." The article was co-written by five authors, four of whom are currently members of the NPC Standing Committee. One of the authors, Mo Wexiang [5459 2429 4382], is also the former minister of Aeronautics Industry; another author, Zhang Chen [1728 1820], is the former minister of Nuclear Industry. The featured article voices support for a report on the Three Gorges project written by NPC Vice Chairman Chen Muhua. The benefits that the project can produce in preventing destructive flooding in the Chang Jiang valley, generating much-needed "cheap and clean" electricity, and improving river transport are outlined in order to emphasize the "urgent need" to go ahead with the Three Gorges project.

The authors also discuss the relocation issue, describing the "trial development-oriented relocation program" initiated five years ago as "successful" and urging that "relocation and product development in the dam site be arranged rationally in line with the industrial policy."

On the funding of the project, estimated to cost 57 billion yuan, the authors voice confidence that this can be met through state funds and bank loans, and suggest that the "crucial issue lies in being determined to suppress a number of non-productive and repetitious construction projects" in order to allocate limited funds to this major project.

On 20 February, RENMIN RIBAO published, in its Three Gorges special section, an article by Liu Guoguang [0491 0948 0342], China's noted economist and vice president of the Chinese Academy of Social Sciences, affirming that China has the financial capability to build the Three Gorges project. The author underlines the economic benefits as well as economic viability of the project, citing the "self-financing mechanism inherent in the project itself" and the fact that "revenues from the Gezhouba dam may be invested in the Three Gorges project." Liu notes that the most difficult period in the financing of the project would be in the "first 13-14 years." He goes on to explore nine "feasible" ways to raise funds and alleviate the state's financial burden, including "foreign capital" and "issuance of Three Gorges project bonds and shares."

Regarding concerns that the 1990 cost estimate of the project is outdated and conservative, Liu Guoguang argues that "price increases and other factors" will be neutralized by rising revenues, and will "generally not affect the final investment estimates of the project" because, among other things, "the state's investment capabilities have also risen correspondingly." He does warn against further delay in starting the project, however, citing "waste of resources and benefits." The author contends that the project will "lay down a more solid material and technical foundation" for further national economic growth. (See the Beijing XINHUA English report on Liu's remarks, published in the 3 February China DAILY REPORT, beginning on page 57.)

#### CPPCC Official Cited on 'Ripe' Conditions

RENMIN RIBAO OVERSEAS EDITION on 17 February published an interview with Wang Guangying [3769 0342 5391], vice chairman of the Chinese People's Political Consultative Conference (CPPCC), by XINHUA reporter Zhang Chengzhi [1728 2110 1807], which highlights the need for an "immediate decision and start" on the Three Gorges project. Wang Guangying stresses that "conditions are now ripe," adding that economically and technically, the project "poses no major problems." Wang Guangying emphasizes that the project should "be conducted in line with economic laws and discipline," specifically, that "the project should be run like an enterprise," with minimum administrative intervention, simplified procedures, and high productivity. "The laws of economics should be used in handling matters concerning conflicts of interests," and "legal and economic contractual" means used to ensure adherence to agreed upon prices, he says.

GUANGMING RIBAO on 12 January also published Wang Guangying's views on going through with the project in an article featured in the section "Special Feature on the Three Gorges Project." (See the Beijing XINHUA English report on Wang's remarks, published in the 20 February China DAILY REPORT, page 46.)

**Yangtze Area People Support Three Gorges Project**

OW2002101592 Beijing XINHUA in English  
0943 GMT 20 Feb 92

[Text] Beijing, February 20 (XINHUA)—For a Chinese to say farewell to the homeland that he and his ancestors have lived from generation to generation will be extremely painful. However, this is not the case for 1.13 million people along the Yangtze River.

They will have to move to new places in two years if China decides to start the Three Gorges Project on the Yangtze River and the project is their long-awaited desire.

This can be seen in Sandouping town which lies 40 km to the west of Yichang city, Hubei Province. After feasibility studies for decades, China has chosen the town as the site of the colossal water project. All of over 7,200 local residents of 2,000 households will leave the town in two years once China starts the project.

The town has practiced resettling on a trial basis since 1985 and 1,000 ha of mandarin orange fields have been opened up along the mountain slopes five km away from their current living site by utilizing over five million yuan of state investment.

Li Pingchang, a 48-year old farmer from a six-member family, has contracted to run 0.2 ha of mandarin orange field. He harvested more than 700 kg of mandarin oranges last year, which brought him 1,600 yuan of profit.

"It would be impossible for me to earn so much, if not for the project," he said.

The Three Gorges Project has been discussed for years and its site area remains backward owing to lack of necessary investment from the government. The annual per capita income is about 200 yuan.

Therefore, people in Sichuan and Hubei Provinces, which have a direct relation with the project, strongly urged the country start the project at the soonest possible date to lift the poverty in the area.

The project, still under discussion, features a 185-meter high dam which will be built to lift the water level to 175 meters from 80 meters in the upper reaches of the 6,300 km river, the longest in China, which will help improve navigation and generate electricity while controlling flooding in the lower reaches of the river.

About 430,000 ha of cultivated land and mandarin orange fields in Sichuan and Hubei Provinces will be inundated as a result of the nearly 100 meter rise of the water level. About 1.13 million local residents will have to move to the places away from the river at the total completion of the project expected in the year 2008.

Government officials and experts from all fields believe that the resettling issue will be the "most complicated and most difficult one" among all issues of the project.

To solve this issue, an expert team which consists of leading officials of seven ministries, and Sichuan and Hubei Provinces was established in 1986.

They have proposed a plan to combine the resettlement of local residents with construction of the project so as to ensure their production and living standard and their growth rate.

The experiment has been welcomed by a large number of local people like Li Pingchang, who have benefited from it, and has reassured more people about their move in the future.

"We are in favor of the proposed Three Gorges Project, for it will bring us benefits in generating electricity and improving navigation," said Xu Peng, deputy county head of Wushan County, which has a population of 550,000 people in Sichuan Province.

Xu noted that if the Three Gorges dam is built, over 2,400 ha of cultivated land in the county would be submerged and about 55,000 people would have to be resettled.

However, Xu said all these are worth doing as the Three Gorges Project will bring chances for the development of the county.

"We will rearrange the structures of our industry and agriculture and make them more rational," said Xu Peng. He added that compensation funds from the state can be used to develop the rich mineral and tourism resources to promote the county's economy.

Yang Feng, chairman of Feiya Corporation in Wanxian city, Sichuan Province, estimated that his enterprise which produces citric acid, gourmet powder and beer and has a history of 20 years, would have to move to a higher mountain slope if the project is to be built.

They plan to renew their equipment after the resettlement and add the production of lysine by using the corn and sweet potato which are rich in the new place.

Yang said that the over 1,500 employees of his corporation are in favor of the Three Gorges Project.

Pu Haiqing, vice-governor of Sichuan Province, noted that the resettlement in the province will be very tough since the province includes a major area to be submerged in the project.

But he said experiences have been gained in the trial resettlement and the issue can be settled through hard work.

The major problem exposed in the trial resettlement, he pointed out, is too little funds were invested in the early stage of the resettlement.

Li Daqiang, vice-governor of Hubei Province, said that people along the middle and lower reaches of the

Yangtze River Valley had suffered from floods frequently. Every year, when the flood season came, every family was worried about it, he said.

He said unless the Three Gorges dam is built, people can not get rid of the worries.

It was learned that the Three Gorges Project will be submitted for deliberation to the Fifth Annual Session of the Seventh National People's Congress scheduled to be convened in late March.

#### **Building of Six Agricultural Bases To Accelerate**

*OW2102061592 Beijing XINHUA in English  
0449 GMT 21 Feb 92*

[Text] Beijing, February 21 (XINHUA)—China will step up construction of six agricultural production bases to realize its target of increasing the annual agricultural production value by 5.9 percent by the year 1995 and 3.75 percent by 2000.

The six agricultural bases are of grain, cotton, sugar crops, rubber, agricultural by-products and export-oriented agricultural products, according to a recent national meeting attended by provincial directors of agricultural and land reclamation bureaus.

The country plans to reclaim waste land of over 220,000 hectares and improve over 195 million hectares of low-yield farm land in Heilongjiang, Inner Mongolia, Liaoning, Jilin, Xinjiang, and Huanghuaihai and Hanjiang Plains during the Eighth and Ninth Five-Year Plans period (1991-2000). The efforts would help increase grain production to 15 million tons by 1998, the ECONOMIC INFORMATION DAILY [JINGJI CANKAO] reported today.

It will develop a total of 200,000 hectares of waste land and improve 250,000 hectares of low-yield farmland in Xinjiang, Hubei, Hunan, Jiangsu and Anhui to increase cotton production. The cotton growing areas in these regions will reach 333,000 million hectares by 1998.

Sugar crop growing areas in Heilongjiang, Xinjiang, Guangdong, Guangxi, Hainan and Yunnan plan to produce 550,000 tons of sugar annually by 1995.

Rubber bases, mainly in Hainan, Yunnan and Guangdong, will increase production of rubber to 400,000 tons by 2000.

The agricultural by-products bases are mainly of dairy and meat to guarantee supply to urban areas.

The export-oriented agricultural products bases will develop quality beans, tea, rice, meat, fruits and cotton for export.

#### **Agricultural Banks Assist Rural Departments**

*OW2202053892 Beijing XINHUA in English  
0449 GMT 22 Feb 92*

[Text] Beijing, February 22 (XINHUA)—Agricultural banks throughout China loaned rural agricultural departments over 10 billion yuan over the past two months to help them purchase supplies urgently needed by farmers.

The PEOPLE'S DAILY [RENMIN RIBAO] reported today that that stocks of fertilizer, pesticides and plastic film in rural areas were reduced significantly in many parts of the country last year due to severe flooding and droughts.

As part of an effort to counter the effects of such natural disasters, agricultural banks and commercial credit departments conducted on-the-spot surveys and arranged to help the various localities purchase supplies. Their timely actions ensured that related departments were able to import much needed fertilizers and helped to ensure the safe storage of domestically produced fertilizers.

Recent statistics show that agricultural departments have increased purchases of fertilizer by 16 percent to 10.3 million tons, and have purchased 55,000 tons of pesticides over the past two months, a 1.9 percent increase over the same 1991 period. In addition the departments have purchased 89,000 tons of farm plastic films, an increase of 85.4 percent.

#### **Correction to Editorial on Reform, Opening**

*WA2502155292*

The following correction pertains to the item subheaded "'More Daring' Reform, Opening Urged," published in the 24 February China DAILY REPORT, beginning on page 41, right-hand column:

Page 42, right-hand column of page, last paragraph of item, end of last sentence, make read: ...on the way to building a stronger country and along the road of building socialism with Chinese characteristics. (rephrasing)

#### **Comparison of Editorial on 'More Daring' Reform**

*WA2502153592*

Beijing RENMIN RIBAO in Chinese on 24 February carries, on page one, a 1,200-character editorial entitled "Be More Daring in Carrying Out Reform." This editorial has been compared with the Beijing XINHUA Domestic Chinese version, published in the 24 February

China DAILY REPORT, beginning on page 41, right-hand column of page, under the subhead "'More Daring' Reform, Opening Urged," and found to be identical except for the following:

First paragraph, first sentence, of item, make read:  
[Text] At a time when the world.... (deleting press agency dateline)

Fourth paragraph of item, from end of last sentence, make read: ...be able to proceed smoothly. Without deepened reform, it would also be difficult to accomplish on schedule the task of economic improvement and rectification. [new paragraph]

During the period of improving.... (picking up first sentence of fifth paragraph, supplying additional sentence)

**East Region****Anhui Discipline Inspection Commission Meeting**

*OW2302054492 Hefei Anhui People's Radio Network  
in Mandarin 1100 GMT 22 Feb 92*

[From the "Provincial Hookup" program]

[Text] Beginning 21 February, the provincial commission for discipline inspection convened a meeting in Hefei on the party's provincial discipline inspection work in order to sum up discipline inspection work in 1991 as well as to study and arrange for discipline inspection work province-wide in 1992 in the light of the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee and the Fifth Session of the Fifth Provincial Party Committee. Yang Yongliang, deputy secretary of the provincial party committee, attended the meeting. On behalf of the Standing Committee of the provincial commission for discipline inspection, Zhao Baoxing—Standing Committee member of the provincial party committee and secretary of the provincial commission for discipline inspection—made a report entitled: "Resolutely Implement the Party's Basic Line and Further Do Well the Party's Discipline Inspection Work."

In his report, Zhao Baoxing first reviewed the provincial party's discipline inspection work in the past. He said: 1991 was an unusual year in the history of our province. In the past year, discipline inspection organs and the broad masses of discipline inspection cadres throughout the province made contributions to ensuring the implementation of the party's basic line and to promoting steady social and economic development in the province, as well as in scoring victories in combating floods and providing relief.

While touching on the work for 1992, Zhao Baoxing emphatically pointed out: To do well the job of discipline inspection, we must persist in abiding by and in serving the interest of the party's basic line, and must ensure the smooth progress of the socialist modernization drive. This is the basic guiding ideology followed all along in carrying out discipline inspection; it is also the crucial factor which determines the efficiency of discipline inspection work. In carrying out discipline inspection, we must do our best to follow this guiding ideology in the following manner:

First of all, it is necessary to understand and properly manage relations between strengthening the construction of party style and party discipline as well as economic construction, and between reform and opening to the outside world. It is a solid ideological foundation for doing well in discipline inspection work during the new period. We must thoroughly and accurately understand the party's basic line. We cannot just stress economic construction and neglect the building of party style and party discipline; neither can we deviate from the basic task of economic construction and exclusively pay attention to building party style and party discipline.

Second, it is necessary to earnestly fulfill the functions of discipline inspection organs. This is a principal channel for discipline inspection to serve the party's basic line. To stress the need for discipline inspection organs to serve in the interest of economic construction does not mean we have to leave our own duties and responsibilities aside and directly take part in economic construction; still less does it mean discarding the principles of the party and giving the green light to violating the law and discipline. Through fulfilling the three major tasks entrusted to us in the party constitution, we must carry out the basic functions of discipline inspection to ensure and promote both economic construction and the smooth implementation of the reform and opening up policy. Discipline inspection must serve the interest of economic construction; however, we must by no means try out the various unhealthy phenomena in economic activities with the party's discipline [as heard]. The existing corrupt practice of seeking personal gains with one's power, as well as law and discipline violations and unhealthy trends, are not within the precincts of economic revival. We must strictly investigate and deal with them, and must never degrade our party's standards to pander to unhealthy phenomena which will adversely affect party style and the social mood of society.

Third, it is necessary to carry out discipline inspection work, centering on the central task of the party. This is the basic starting point and foothold for discipline inspection organs to ensure the implementation of the party's basic line.

Zhao Baoxing said: In 1992 we must pay attention to properly carrying out the following tasks:

First, we must further strengthen party style and the building of a clean and honest government, and comprehensively stage a struggle against corruption and peaceful evolution.

Second, we must resolutely and strictly enforce party discipline, and must seriously examine and deal with discipline violation cases within the party.

Third, we must practically strengthen the party's discipline inspection in large- and medium-sized enterprises and in rural areas, and must properly promote the building of party style and party discipline.

Fourth, we must fulfill the party's supervisory function and consolidate supervision work within the party.

Fifth, we must deepen education on party style and party discipline, and must constantly upgrade party members' quality.

Sixth, we must further do a good job in enhancing the self-development of discipline inspection organs.

**Anhui Socialist Education Leading Group Meeting**  
*OW2402034192 Hefei Anhui People's Radio Network  
in Mandarin 1100 GMT 23 Feb 92*

[From the "Provincial Hookup" program]

[Excerpts] On 18 February, the provincial leading group for socialist education holds a meeting of heads of socialist education working teams in 38 counties to arrange for the next stage of socialist education work in rural areas. Meng Fulin and Yang Yongliang, deputy secretaries of the provincial party committee, attended the meeting. (Song Meixiang), deputy head of the provincial propaganda department and director of the socialist education office, presided over the meeting. [passage omitted]

Meng Fulin and Yang Yongliang spoke at the meeting. They pointed out: The next stage of socialist education should continue to deepen education and widen its scope. As for those areas that have not fulfilled the requirement, efforts must be made to find time to make up the lessons; those that have met the requirement should also review and examine the effect of the education conducted so far. The emphasis of the current efforts to deepen education should be placed on linking rural work with ideological study by cadres and the masses at the grassroots level and on studying the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee. This must be firmly grasped so the guidelines will be duly publicized and comprehensively implemented. [passage omitted]

Yong Yongliang called on socialist education working teams to further strengthen self-development, and urged all comrades to grasp the guiding ideology of treating economic construction as the central task and to conscientiously serve the interest of the party and help accelerate the pace of reform and opening to the outside world. [passage omitted]

They also called on working teams under the provincial party committee to help grassroots-level party committee members handle the work of planned parenthood, every working team must make in-depth and systematic investigations into the work of planned parenthood in every village.

Prior to this meeting, the socialist education office under the provincial party committee had convened separate discussion meetings of heads of working teams, exchanged information about their respective situations, and discussed the work for the next stage. [passage omitted]

**Jiangsu Sets Up Science, Technology Fund**  
*OW2402035092 Beijing XINHUA Domestic Service  
in Chinese 0222 GMT 23 Feb 92*

[By reporter Xu Jiling (1776 0344 3163)]

[Text] Nanjing, 23 February (XINHUA)—Beginning in 1992, Jiangsu Province will set up a fund for science and

technology to boost investment in science and technology and accelerate the industrialization process of high technology.

The fund will comprise two major parts: One will be a science fund, and the province will appropriate 3 million yuan annually for the development of key basic science research, the other will be a risk investment fund for high-technology industries. The fund, which is to be composed of financial appropriations, bank loans, and private capital, is expected to reach a total of 400-500 million yuan by the end of the Eighth Five-Year Plan period and will be used specifically to support high-technology industries. Moreover, a system of payment against every investment and an increase in value by rolling over will be implemented.

Touching on the necessity for establishing the science and technology fund, Governor Chen Huanyou said: The turning of science and technology into productive forces calls for strong support and investment; investment in high technology is especially risky, but it may yield greater efficiency. Although the shortage of funds for some time to come will still be a serious constraint on economic development, we would rather economize and be more austere in other aspects to ensure increased investment in science and technology.

**Shandong Holds Seminar on Fighting Corruption**  
*SK2302133392 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 22 Feb 92*

[Text] The provincial theoretical seminar of discipline inspection organs on fighting corruption and preventing peaceful evolution ended on 22 February, during which Ma Zhongcai, deputy secretary of the provincial party committee, pointed out: Fighting corruption and preventing peaceful evolution and further strengthening party building constitute an important guarantee for implementing the party's basic line and realizing the second-step strategic objectives.

Ma Zhongcai said: The key to successfully fighting corruption and preventing peaceful evolution lies in the leading organs and cadres. Leading bodies, leading organs, and leading cadres at all levels in our province are politically firm, rigid in work style, and good in party style. However, we should also sober-mindedly recognize that the problems of formalism, bureaucracy, and the weak sense of discipline have still existed among a small number of leading bodies, leading organs, and leading cadres. Although these problems emerged only in a small number of persons and units, yet its passive influence must not be underestimated. We must fully and sober-mindedly understand these problems, strengthen the ideology of caring for them and the sense of urgency, exert strenuous efforts to eliminate some passive and corrupt phenomena existing in some leading cadres, and leading organs, and realistically build the leading bodies and leading cadres at all levels into strong bastions and leaders for fighting corruption and preventing peaceful evolution.

**Ma Zhongcai** pointed out: It is necessary to combine the work of fighting corruption and preventing peaceful evolution with upholding reform and opening up, carry them out simultaneously, and develop them in a coordinated manner. The work of fighting corruption and preventing peaceful evolution must be compatible with the development of reform. Through reform, we must eliminate the soil that cultivates passive and corrupt phenomena and unhealthy trends in an effort to promote further improvement in party style and the building of clean government. It is necessary to actively guide the broad masses of party members to consciously train themselves under the conditions of reform, opening up and development of the commodity economy so as to strengthen their immunization ability. We should fully display the role of discipline inspection work in safeguarding reform and opening up, carry out the work of fighting corruption and preventing peaceful evolution throughout the whole process of reform and opening up, and grasp it with unremitting effort.

#### **Shandong Animal Husbandry Work Conference Ends**

*SK2302112992 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 22 Feb 92*

[Text] The three-day provincial animal husbandry work conference ended on 22 February.

Vice Governor Wang Jiangong gave a speech in which he pointed out: Animal husbandry has occupied a very important position in the development of farming that gives high yield and high efficiency. We should take the lead in developing it in an effort to realize high yield and high efficiency. In our work, we should actively carry out socialized service. Over the last few years, our province witnessed great progress in rendering socialized service to animal husbandry. However, judging from the general situation, the service sphere is not broad enough and the service level is fairly low. In the future, all localities must firmly grasp socialized service which is a key issue concerning the development of animal husbandry, proceed in carrying out service for items which are badly needed by peasants, gradually expand and develop the collective economic strength, and gradually change the single-item service to a serialized, comprehensive and supporting service.

Wang Jiangong stressed: In the future, we should further strengthen the building of animal husbandry contingents. At present, our province's animal husbandry contingents are short in personnel and low in quality, which constitute a prominent problem. We must exert effort in order to do a good job in the development of trained personnel, run the present agricultural and animal husbandry institutes and schools well, and use various forms and various channels to train and educate existing in-service personnel. While strengthening the building of full-time animal husbandry contingents, we should attach importance to enhancing the scientific and educational level of peasants, train peasants with science

and technology through such forms as running specialized and technical schools and science popularization evening schools, and gradually attain the goal that all villages have science demonstration households and all families have sensible persons.

Gao Changli, deputy secretary of the provincial party committee, gave a written speech at the conference.

It was also learned that the Shandong Provincial Animal Husbandry Society was established on the afternoon of 22 February. Liang Buting, Mu Maozeng, Wang Shufang, and Zhu Qimin were elected honorary chairmen of the board of directors, and Wang Jiangong was elected chairman of the board of directors. In his speech, Wang Jiangong said: The animal husbandry society is mainly aimed at organizing socialized service for animal husbandry development throughout the whole course of production. In addition, it will conduct information and technical consulting activities to promote economic and technological exchange, and play a role as a bridge between the producers, managers and government.

#### **Shandong Holds Forestry Conference on 1992 Plan**

*SK2302080692 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 21 Feb 92*

[Excerpts] At the provincial telephone conference on forestry work which was held on 21 February, Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, pointed out: Forestry has remained a weak link in our province's work, failing to meet the needs of national economic development and improvement of ecological environment. All localities must realistically regard forestry development as a basic state policy, make great determination to grasp forestry and work with real efforts, and resolutely push forestry work forward. Zhao Zhihao called on all localities to unswervingly implement the fighting objective of planting trees during the Eighth Five-Year Plan period, making Shandong green in 10 years, and enabling the forest coverage to reach 25 percent by the end of this century. The afforestation and greening work of all localities must be arranged in close connection with this overall objective. In addition, they should strive to overfulfill this objective and try to gain the initiative, and by no means should they hinder the work of the whole province. It is necessary to comprehensively implement the present forestry plans approved by the provincial party committee and the provincial government, and implement the task of making Shandong green in cities, prefectures, counties, townships and villages, and in mountainous areas. The tasks defined in the plans must not be changed because of the change of personnel. The scale of making Shandong green in 10 years is grand, and the tasks are heavy. All localities must grasp the major contradictions, and make major breakthroughs. In planting trees on barren hills, we must do a good job in tackling the most difficult problems, and in planting trees on plains, we must pay further attention to the scale and level.

Zhao Zhihao stressed: Governments at all levels must realistically strengthen leadership, attach prime importance to afforestation and greening work, and grasp it as they did in organizing industrial production and grasping the production of grain, cotton and oil-bearing crops. [passage omitted]

Vice Governor Wang Jiangong made a comprehensive arrangement for this year's forestry work. He said: The strategic priorities of this year's forestry work are to do a good job in planting trees in mountainous areas, building farmland protection forests on plains, building coastal areas protection forests, and making the urban areas green, to build a fast-growing and high-yielding forest base and an economic forest base, and to seek breakthroughs in rate, quality and efficiency. It is planned to build 3.1 million mu of tracts of forests, build a new farmland forest network totaling 7.75 million mu, inter-plant crops and trees on 3.5 million mu of land, plant 200 million trees around houses, and along rivers, roads and ditches, and cultivate 500,000 mu of saplings. All localities must guarantee the fulfillment of this plan and strive to overfulfill it. [passage omitted]

The general offices of the provincial party committee and the provincial government reported on the 1991 afforestation situation at the conference. Sixty-four counties, cities and districts, including Yanzhou, Yangxin, and Gaomi fulfilled or overfulfilled the 1991 afforestation plan while 58 counties, cities and districts, including Shouguang, Laiwu, and Wudi Counties and Rizhao City failed to fulfill the 1991 afforestation tasks.

#### **Wu Bangguo Speaks on Upgrading Enterprises**

*OW2102234592 Shanghai People's Radio Network  
in Mandarin 2300 GMT 20 Feb 92*

[From the "Morning News" program]

[Text] At a meeting held yesterday on deepening Shanghai's industrial enterprises, Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, called for efforts to deepen the reform of large- and medium-sized state enterprises without delay so as to make Shanghai the most economically active area in the country by the end of the 1990's.

Wu Bangguo stressed: Large- and medium-sized state enterprises are the pillar of the socialist economy. Therefore, to invigorate Shanghai it is necessary to improve large- and medium-sized state-run enterprises.

Wu Bangguo said: In reforming enterprises, it is necessary to reform their mechanisms and leading bodies. Enterprises should also operate on the basis of market demand. We must be determined to break the "big rice pot," "iron rice bowl," and "iron job position" in order to make people feel a sense of urgency and responsibility. With respect to enterprises' system of income distribution, the principles should be followed of more pay for more work, less pay for less work, and no pay for no work.

Wu Bangguo also stressed: Having a good operating mechanism is not enough; an enterprise cannot be successful in reform without an efficient leading body. Leaders of enterprises should constantly raise their sense of duty and sense of mission as well as take the initiative in participating in reform.

He continued: In reforming enterprises we must be serious. The purpose of giving financial preferential treatment to enterprises that have been chosen for reform experimentation is to enable them to enter a good economic cycle, but we must not turn away from contradictions and must not fail to boldly tackle difficult problems. If we do, a new type of "big rice pot" will take shape. In carrying out reform of the labor and personnel system, we should solve the problem of employment. Enterprises should solve the problem of surplus labor by developing tertiary industries and by improving the social mechanism of finding jobs for the unemployed. It is necessary to truly honor the independent decision-making power of enterprises and to resolutely separate government administration from enterprise management. The various departments in charge of comprehensive management should take an active part in reform and create conditions for enterprise reform.

In conclusion, Wu Bangguo said: Reform should go hand in hand with development, for reform can promote the development of enterprises. There should be a long-term development plan for enterprises. Shanghai's enterprises should not be satisfied with only having reached the advanced domestic level, but should compete on the international market and gradually establish international status.

At the meeting Jiang Yiren, chairman of the municipal economic commission, proposed measures for deepening the reform of the city's industrial enterprises this year. On the basis of summing up experiences in improving 113 enterprises which have carried out reform experiments, more enterprises will be selected for reform this year. The number will reach 245, which is about 50 percent of the city's large and medium-sized enterprises. At the same time, efforts will be made to expand experiments of the share-holding system and to speed up both technical transformation and the development of new products in enterprises. With respect to enterprises which have been losing money for a long time, which have no prospects of reversing their deficits, and which are not able to service their debts, we must unhesitatingly apply the policy of either shutting them down, suspending their operation, amalgamating them with other enterprises, or switching them to the manufacture of other products if we are to experiment with the bankruptcy system. We should also continue to improve existing enterprise groups and organize new ones.

#### **First Solely Foreign-Funded Trading Company**

*OW2302149492 Beijing XINHUA in English  
1330 GMT 23 Feb 92*

[Text] Shanghai, February 23 (XINHUA)—China has recently approved the setting up of the first solely foreign-funded trading company in the Waigaoqiao bonded zone in Shanghai.

With one million U.S. dollars of registered capital, the company was established by the Japanese C. Itoh Commercial Co. Ltd, one of the nine most comprehensive transnational enterprise groups in Japan.

The C. Itoh (Shanghai) Company Ltd deals in import, export and entrepot trade.

At the same time, the Shanghai Machinery Import and Export Corporation, a backbone in China's machinery and electronics industry, is planning to set up a Sino-foreign trading joint venture, also the first of its kind in China, by investing six million U.S. dollars.

Before this, all foreign trading business, including import, export and entrepot trade was monopolized by the state foreign trade departments.

The Waigaoqiao bonded zone in Shanghai is a free trade area where foreign businessmen are allowed to deal in import and export trading related spare parts, raw materials and other products, and entrepot trade as well.

### Central-South Region

#### Zhuhai Residents Allowed To Exchange Currency

*OW2202042692 Beijing XINHUA in English  
0313 GMT 22 Feb 92*

[Text] Beijing, February 22 (XINHUA)—Banks in Zhuhai City, Guangdong Province, are attempting to eliminate the black market for foreign currency by allowing local residents to exchange Hong Kong Dollars.

Zhuhai, one of China's special economic zones, borders Macao and sits across the bay from Hong Kong.

The China News Service reports that Zhuhai Banks recently began a service allowing citizens the opportunity to exchange foreign currency, and thus provided them access to free-market rates for Hong Kong Dollars.

#### Cheng Kejie Addresses Government Plenary Meeting

*HK2502083092 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 22 Feb 92*

[Text] The autonomous regional people's government's first plenary meeting in 1992 was convened in Nanning yesterday morning.

Autonomous regional Chairman Cheng Kejie briefed comrades in charge of various regional departments and bureaus on the situation concerning a visit to Beijing by a regional government report delegation in the wake of the Lunar New Year Festival and relayed specific instructions issued by the Central Authorities to Guangxi on healing the wounds of war, speeding up reform and opening up, and accelerating the pace of poverty eradication pace various stony mountainous areas. Cheng pointed out: Guangxi should develop an enterprising spirit.

Cheng Kejie also briefed the participants on a draft regional government work report for solicitation of opinions in view of the forthcoming convocation of the fifth session of the seventh regional people's congress and the fifth plenary session of the sixth regional Chinese People's Political Consultative Conference [CPPCC] committee.

Cheng Kejie solicited participants' opinions on last year's regional government work achievements, experiences, and problems, future regional economic and social development goals, concentration of nationwide efforts on economic work, promotion of a comprehensive development of various undertakings, acceleration of various reforms, continued expansion of opening up to the outside world, maintenance of political and social stability, as well as on various other specific issues.

Cheng Kejie called on comrades in charge of various regional departments and bureaus as well as other departments concerned to render unreserved support to the upcoming convocation of the fifth session of the seventh regional people's congress and the fifth plenary session of the sixth regional CPPCC committee, and to earnestly and conscientiously listen to views expressed by the people's deputies and the CPPCC committee members.

#### Liu Jianfeng Remarks on Yangpu Development

*HK2202011692 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 18 Feb 92*

[Excerpt] Governor Liu Jianfeng gave an interview to reporter [name indistinct] from the Hong Kong-based NIPPON KEIZAI SHIMBUN in Haikou yesterday.

Liu Jianfeng said: Hainan, as China's biggest special economic zone, [words indistinct] the development of the New Pudong District in Shanghai. Hainan's advantages have not been overwhelmed. Since last year, the momentum of investment in Hainan by foreign businessmen [words indistinct].

In replying to questions about the problems concerning the development of the Yangpu region, Liu Jianfeng said: The development of Yangpu blazes a new trail for developing a whole region on the island through construction projects. Since Hainan signed a contract with the Kumagai Gumi Limited Company last year, it has made many assessments and formulated, after careful study, plans for development and management of Yangpu. [words indistinct]

Liu Jianfeng added: The controversy over the development of Yangpu is now over. General Secretary Jiang Zemin has said clearly that the development of Yangpu is purely of a commercial nature. If the scheme proves successful, we may apply the development formula to other parts of the island. [passage omitted]

### Tibet Sets Up Material Trade Firm in Hainan

OW2402122992 Beijing XINHUA in English  
1044 GMT 24 Feb 92

[Text] Haikou, February 24 (XINHUA)—The Tibet Autonomous Region has set up its first enterprise on the Hainan Island, the largest Special Economic Zone in China.

The firm, the Hainan Ganghai Material Trade Corporation, will greatly promote economic co-operation between Tibet and Hainan Province, according to an official source here.

Now all the mainland provinces, municipalities and autonomous regions have established firms in Hainan.

Huang Xianglin, deputy director of the Hainan Economic Co-Operation Bureau, said that they especially welcome Tibetan investment in Hainan because the two sides can help each other's in their efforts to develop the economy.

Zhang Jiajun, manager of the newly established Hainan Ganghai Corporation, told XINHUA that Tibet has decided to set up an administrative organization in Haikou, capital of the province in the near future.

They hope that the organization can act as a window introducing Tibet to other parts of the country and to the whole world.

The two sides are planning a Haikou-Sanya-Lhasa tourist route to lure more travellers. Besides Tibet will start its own tourist business in Sanya, the most famous tourist resort in Hainan.

Zhang said that his corporation will deal in machinery, building materials and spare parts for cars, as well as Tibetan products.

### Hainan Promulgates 145 Local Laws, Regulations

HK2502083192 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 22 Feb 92

[Text] Hainan Province had promulgated a total of 145 local laws and regulations by the end of last year, resulting in the creation of a favorable investment environment in the Hainan Special Economic Region.

In accordance with both the preferential policies implemented and the legislative powers entrusted to Hainan by the state, Hainan Province has conducted in-depth ideological emancipation, carried out bold explorations, and swiftly formulated a large number of local laws and government regulations aimed at promoting whole-scale opening up and accommodating the salient characteristics of the Hainan Special Economic Region. To this end, Hainan has mainly concentrated its efforts on formulating economic laws and regulations.

In 1991, the provincial people's representatives conference standing committee adopted and promulgated a

total of four local laws and regulations while the provincial government promulgated and adopted a total of 20 government regulations. From the time it was made a province to the end of 1991, Hainan had promulgated a total of 145 local laws and regulations with the result that a preliminary local law and regulation formulation and promulgation system has now been formed in the Hainan Special Economic Region, thus laying a sound basis for provincial affairs management within the orbit of the law, creation of a favorable investment environment, as well as guidance for and guarantee of successful reform and opening up of the Hainan Special Economic Region.

### Hou Zongbin Addresses Court Presidents Conference

HK2402032592 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 21 Feb 92

[Text] This reporter learned from a provincial intermediate people's court presidents conference convened in Zhengzhou yesterday that provincial CPC committee Secretary Hou Zongbin and Deputy Secretary and Governor Li Changchun have recently issued instructions on strengthening the court work.

Hou Zongbin pointed out: In 1991, under the leadership of the party committees at corresponding levels, people's courts at all levels across the province conscientiously implemented the party's basic line and the spirit of the Fifth Provincial Party Congress and played their roles in implementing the people's democratic dictatorship and readjusting both economic and civil relations, thus contributing to Henan's social stability and economic growth.

Hou Zongbin emphatically noted: In 1992, people's courts at all levels must carry forward achievements, overcome shortcomings, give full scope to the role played by people's courts in implementing the people's democratic dictatorship, further improve law enforcement capabilities, firmly grasp the three preventions and four implementations, step up ideological and style building, strictly ban formalism, make fresh contributions, comprehensively implement and carry out the party's basic line, closely unite, forge ahead, promote Henan's development, attain the strategic goals of a higher provincial gross national product and a lower provincial population growth rate, and strive to greet the convocation of the 14th CPC Congress.

Li Changchun noted: People's courts are simultaneously an important component of the state machinery and an important instrument of the people's democratic dictatorship. They play a vital role in maintaining political and social stability and promoting socialist modernization building. People's governments at all levels must render support to court work in all aspects, try in every way to guarantee operational funds supply to courts at all levels on the basis of the existing financial structure, gradually increase input in necessary infrastructure, and constantly improve work conditions for courts at all levels. I hope that the people's courts at all levels will

make fresh and greater contributions to the crackdown on crime, the maintenance and promotion of province-wide political and social stability, and the attainment of the provincial economic development strategy of a higher provincial gross national product and a lower provincial population growth rate.

### Inspects Drought Areas

OW2302051592 Beijing XINHUA Domestic Service  
in Chinese 2122 GMT 22 Feb 92

[By reporter Xie Guoji (6043 0948 6068)]

[Text] Zhengzhou, 23 February (XINHUA)—People from the higher to the lower levels throughout Henan Province have been mobilized to do everything possible to fight drought and tend wheat crops. According to information released by the provincial anti-drought office, as of 21 February, 18.95 million mu of wheat fields have been relieved from drought.

Since last autumn, Henan has been hit by the most serious drought in half a century. The scale and intensity of the disaster have rarely been seen in history. In western Henan, 80 percent of the small reservoirs, dams and rivers have dried up; and the groundwater level has dropped by five to eight meters. About 2 million people and more than 400,000 head of livestock in Luoyang, Sanmenxia, Zhengzhou and Jiaozuo Cities do not have drinking water. More than 40 million of the province's 70 million mu of wheat crops have been affected by drought.

In order to fight the disaster and strive for a good summer grain harvest, people from the higher to the lower levels throughout the province have been mobilized on an emergency mission to relieve drought and protect wheat seedlings. Principal leaders of the provincial party committee, the provincial people's congress, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference led a dozen work teams to go down to the worst-hit prefectures and cities to investigate and solve problems and offer guidance for fighting drought. Every day 5.25 million laborers and some 50,000 government functionaries are fighting at the forefront of the disaster. So far, 306 of the 560 water outlets at the Sanmenxia Gorge have been diverted to drought-stricken wheat fields in Henan.

At present, drought has continued to spread in Henan. During a recent inspection of Luoyang, Sanmenxia, and Zhengzhou, provincial party secretary Hou Zongbin and governor Li Changchun urged people to further mobilize themselves and minimize losses by waging a tough battle against drought for winning grain harvests.

### Southwest Region

#### Guizhou Party Secretary Views Judicial Work

HK2402130292 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 21 Feb 92

[Text] Yesterday morning, provincial party and government leaders Liu Zhengwei [provincial party committee secretary], Su Gang, (Zhou Yuansong), Liu Hanzen, Hu Kehui, Zhang Yuqin, and others awarded prizes to 29 outstanding people's courts and their affiliated subsections and offices, 16 outstanding presidents of basic level people's courts, 48 outstanding judicial officers, six outstanding clerks, and 14 outstanding legal workers, who were selected by the people's courts province-wide.

Liu Zhengwei and (Zhou Yuansong) addressed the ceremony.

In his speech, Liu Zhengwei called on the people's courts at all levels to consolidate and develop the achievements scored in the province-wide economic restructuring through their administration of justice. He said, party committees at all levels should study and solve important problems cropping up in the enforcement of laws by people's courts, regarding it as an important aspect of their work. They should guarantee that the people's courts will independently do their work and exercise their judicial authority according to law. To guarantee the people's courts will perform their duties according to law aims at implementation of the party's principles and policies during the administration of justice.

Liu Zhengwei hoped cadres and workers of the people's courts across the province would in 1992 learn from advanced figures and carry on the latter's good thinking and work style to make new contributions to social stability and economic development and greet the 14th CPC National Congress with outstanding achievements.

#### Guizhou Province Holds Family Planning Conference

HK2402125992 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 21 Feb 92

[Excerpt] On the evening of 21 February, the provincial government called a provincial telephone conference on family planning. The meeting heard a report on last year's family planning campaign and arranged for family planning work for 1992.

The meeting called for all localities to control population growth as required by the 10-Year Development Program and Eighth Five-Year Plan, thus contributing to the attainment of the second strategic goal of quadrupling the 1980 GNP by the end of this century.

Governor Wang Chaowen and Vice Governor Zhang Yuqin addressed the meeting.

The meeting pointed out: In 1991, party committees and governments at all levels throughout the province did a great amount of work to promote family planning and

scored marked achievements. But we should be aware that Guizhou's population situation remains desperate. The progress made in this respect remains uneven and there are still a host of difficulties.

The meeting demanded that the natural population growth rate province-wide for 1992 should be kept under 1.4 percent. The birth rate should be kept under 2.1 percent while 70 percent of women of child-bearing age should be giving birth, as planned.

The cadres in charge of family planning, under the guidance of the resolutions on strengthening family planning and strictly restricting population growth adopted by the CPC Central Committee and the State Council and of the notice on implementation of the resolutions issued by the provincial party committee and government, should focus on transformation of [words indistinct], set up family planning-promoting networks in rural areas, and place a firm grasp of the family planning campaign there. It is necessary to draw on scientific and technological progress to promote family planning, improve service, work hard to reduce additional and unscheduled births, and curb excessive population growth as planned in every possible way.

The meeting pointed out: Party committees and governments at all levels should deepen their understanding of the importance of family planning, seek unity of thinking, regard family planning as an important task, and carry out massive planned parenthood propaganda among the masses. The most senior cadres of party committees at all levels must take the overall responsibility upon themselves and the success of family planning should become an important criterion for appraising cadres' work.

The meeting also pointed out: In promoting family planning, we should put stress on rural areas, where related difficulties abound. [passage omitted]

**Public Health of Minority Nationalities Improving**  
*OW2302085592 Beijing XINHUA in English*  
*0803 GMT 23 Feb 92*

[Text] Kunming, February 23 (XINHUA)—Before dinner, the 46-year-old Dai woman peasant, En Suo, turned on the tap, filled a basin with clean water, and told her children to wash their hands with a piece of soap.

This had been a family habit for four years. "As the proverb goes, diseases enter through the mouth; washing our hands before dinner reduces the chances of our catching an illness."

The family is in a Dai nationality village called "Dadenghan" near the China-Burma border in Yunnan Province. The village has 60 households and one half of them is equipped with running water facilities.

"Dadenghan" is only one of the numerous mountain villages in the remote border area. According to Yunnan

provincial statistical bureau, thanks to the government's efforts in the past ten years, 43 percent of the 31.8 million peasants of the province now have potable water.

Building water treatment facilities is only one of several programs the province has carried out in the past ten years to raise the standard of public health in minority nationalities areas. This one program alone cost 200 million yuan.

Yunnan Province has more than ethnic minority groups than any other provinces and autonomous regions in the country, and most of them live in mountainous areas.

Before the founding of People's Republic of China, the province was rampant with various diseases.

According to surveys by the Public Health Ministry, the province had over ten specific local diseases, such as malaria, before liberation.

In 1952, doctors began to bring large quantities of medicine into the mountain areas and persuaded local patients to take injections and use oral medicines while launching a publicity campaign on personal hygiene and set up medical clinics.

In the 1980's, Yunnan provincial government speeded up the improvement of public health conditions.

So far more than 3,000 hospitals and clinics accounting for 47 percent of the province's total public health units, have been set up in areas where ethnic minority people live in compact communities. Yunnan has 1.2 million minority people, occupying one third of the provincial total.

In addition, the province has 128 epidemic prevention stations. It has trained a large number of doctors for all the 25 nationalities in the province.

The province has reached the vaccination target rate set by the World Health Organization: 85 percent of minority nationality children receive vaccines each year.

**Former Slave Owners Now State Cadres, Professors**  
*OW2502062992 Beijing XINHUA in English*  
*0536 GMT 25 Feb 92*

[Text] Kunming, February 25 (XINHUA)—Over 100 former slave owners and feudal rulers in Yunnan Province, who led an easy life with everything provided, have earned their own living and made contributions to the society.

Some have even become state cadres and professors.

Yunnan is a province inhabited by more ethnic minority groups than any other province or region in the country.

According to statistics, the province has 25 ethnic minority groups each with a population of over 4,000.

At the time when the province was liberated 40 years ago, many of the ethnic minority groups still remained at the stages of feudal, slave and even the late primitive societies.

All these ethnic minority groups had their own rulers including appointed national minority hereditary headmen, hereditary slave owners and tribal chiefs.

According to Han Enrong, an official of the Yunnan Provincial Nationalities Affairs Committee, the upper circles of the ethnic minority groups were persuaded to receive the leadership of the Chinese Communist Party and uphold the country's unification. They were trusted politically by the party who offered them jobs and living subsidies.

Many of them were granted work in government departments at the county, prefecture, provincial and even state levels. A few of them were selected to be members of the Standing Committee of the Chinese People's Political Consultative Conference (CPPCC).

Heads of four out of Yunnan's eight autonomous prefectures were formerly upper-class elements of ethnic minority groups.

Han noted that most of the former heads of ethnic minorities enjoy the life as ordinary farmers who have a plot of farmland and live on their own earning. Those who have financial difficulties are subsidized by local governments.

Dao Shixun, the last national minority hereditary headman, is now a professor of linguistics and director of the Yunnan Provincial Institute for Nationalities. He has compiled and published a number of academic works and dictionaries.

Being deputy chairman of the Yunnan provincial CPPCC, Dao has visited Thailand several times, making contributions to Sino-foreign academic exchanges.

61-year-old Bao Hongzhong used to be a head of the Va ethnic minority in Yunnan Province and lives in his hometown of Banlao. He often mobilizes local people to grow rubber, sugar cane and tea and they opened a local tin mine. He is respected and loved by the people.

Several upper-class people of ethnic minority groups in Yunnan Province have become communists under the education of the Communist Party.

Shuang Naidong, former appointed hereditary headman of the Lisu ethnic minority in Fugong County led people to participate in guerrilla forces to oppose the rule of the Kuomintang.

Shuang joined in the Chinese Communist Party soon after the liberation and was once deputy head of Nujiang Prefecture. He is retired at home.

Also joining the Communist Party were Zhao Chunxin, deputy to the people's congress and head of Xishuangbanna Autonomous Prefecture of the Dai nationality, and Zhang Guangming, a former head of the Lahu nationality in Lanchang County and a member of the Standing Committee of the provincial people's congress.

According to statistics, Yunnan still has more than 700 people who were appointed hereditary national minority headmen, slave owners and tribal leaders before liberation.

One half of these people are still engaged in different work or compiling historical data of their own nationalities and live on their wages. The rest in the rural Yunnan Province are subsidized by the government.

A survey report shows that these people are organized by governments at different levels to visit Beijing, Shanghai and Shenzhen, one of China's special economic zones in Guangdong province, to see the change and development of the country.

## North Region

### Inner Mongolia Secretary Inspects Ulanqab League

SK2402133492 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 23 Feb 92

[Text] During a work inspection tour in Ulanqab League on 21 and 22 February, Wang Qun, secretary of the autonomous regional party committee, pointed out: In this year's effort to deepen the rural reform, we should, first, expand the application of science and technology and, second, eliminate the iron rice bowl, the iron armchair, and the iron wage.

During the inspection tour, Wang Qun visited the (Desheng) and (Guangchangrong) Townships of Qahar Right Wing Middle Banner and the (Siqing) Township of Zhuozi County. He visited peasants to learn about the preparations for spring farming, explained the guidelines of the central rural work conference to peasants and grass-roots cadres, and inspected how the guidelines of the fourth enlarged plenary session of the fifth autonomous regional party committee had been implemented. He also held discussions with the league, banner, county, town, and township cadres.

During the discussions, Wang Qun said: Inner Mongolia's economic and social undertakings have entered a new period of development, and a new opportunity has emerged. All fields should lose no time in increasing the weight of and quickening the pace in reform. In deepening the reform, rural areas should pay close attention to science and technology, start with science and technology, [words indistinct], publicize them as the primary productive forces, and never neglect them.

When hearing that Ulanqab League implemented throughout the league an innovative development strategy that emphasized development by leaps and bounds, Wang Qun said happily: If we do not rely on

science and technology, this strategy, which is a magic weapon, will not work. Without expanding the application of science and technology, the strategy cannot be innovative, and there will be no development by leaps and bounds. In the past, we often stressed hard and skillful work. Skillful work means science and technology. Expanding the application of science and technology means extending the level of skillful work.

When hearing that the [word indistinct] area increased its per-mu wheat yield from about 300 jin in the past to more than 600 jin and [words indistinct], Wang Qun said: It seems that science and technology have inexhaustible power. We should rely on the application of science and technology to increase grain output and people's income. This is the major orientation for rural reform. We should adhere to it and attach importance to, apply, and develop science and technology.

[Words indistinct] workers of Ulanqab League said that to ensure [words indistinct] this year, they would adopt a method of making cadres give away their posts, making scientific and technical personnel give away their technical titles, and making peasants give away contracted land and depriving them of chemical fertilizer supplies and pesticides at government prices as well as supporting farm tools if they fail to reach the stipulated standards and fulfill the assigned tasks. Hearing this, Wang Qun said: This method is very good. It is actually aimed at eliminating egalitarianism in rural areas, [words indistinct] and eliminating the iron rice bowl of peasants. If rural areas do not adopt this method, some people will lack a sense of urgency and enthusiasm, and productive forces will not be developed. It is for the purpose of resolving these issues that we deepen rural reform. In this way, people can put their talents to the best use [words indistinct].

#### Tianjin Holds Technological Progress Conference

SK2502080392 Tianjin People's Radio  
in Mandarin 1000 GMT 24 Feb 92

[Text] This morning, Tianjin Municipality held a conference on enterprise technological progress work to relay the spirit of the national technological progress work conference, implement the strategic principle of invigorating the municipality with science and technology, examine and revise this year's technological progress plan, and promote the implementation of the relevant policies and methods on the municipal technological progress work and on actively advancing technological progress work.

Mayor Nie Bichu attended and addressed this morning's conference.

The conference put forward this year's municipal industrial product mix readjustment target, specific demands, and policy measures for technological transformation, scientific research, quality improvement, and energy saving, including developing 1,500 varieties of new products, putting 1,400 of them into production,

increasing the output value of new products by 50 percent over last year, putting 10,000 varieties of products new in four aspects into production, and arrange 245 technological transformation projects each involving more than 1 million yuan. The investment in this field will be greater than that of last year.

#### Northeast Region

##### Development Zone Attracting More Overseas Funds

OW2502043992 Beijing XINHUA in English  
0335 GMT 25 Feb 92

[Text] Beijing, February 25 (XINHUA)—Since its founding in late 1991, the Daqing high- and new-technology industrial development zone in northeast China has unceasingly attracted a flow of overseas funds, in addition to investment from other parts of China.

The zone has received more than 150 people from the United States, Japan, Taiwan and Hong Kong as well as Qinghua University in Beijing and Anhui University in Anhui Province for negotiations on 266 projects. These projects involve 50 million yuan (about 9.5 million U.S. dollars), according to today's overseas edition of the "PEOPLE'S DAILY."

The registered projects cover real estate, automobile repair, energy saving, electronics, machinery, and solvents and reagents. These firms are run as joint ventures or with sole foreign investment.

Preferential policies and regulations on land use, fund introduction, banking, personnel management and taxation have been announced by the zone for firms managed in the forms of joint venture, co-operative venture and with sole foreign investment.

Investors in industries will be able to enjoy a much greater reduction in land use charges comparing with Dalian and Shenzhen, according to the report.

Those firms engaged in high and new technology production will also enjoy preferential treatment in using water, electricity, gas, transportation and telecommunications facilities, in the same way as state-owned enterprises.

##### Jilin Concludes Housing Reform Work Conference

SK2402140092 Changchun Jilin People's Radio  
Network in Mandarin 1030 GMT 22 Feb 92

[Text] The three-day provincial construction and housing system reform work conference which was sponsored by the provincial government ended in Changchun today.

Before ending, the conference relayed the important speech given by He Zhukang, secretary of the provincial party committee, after he heard briefings at the conference. Governor Wang Zhongyu addressed the conference.

The conference pointed out: First of all in the present urban construction, we must control the overheated construction of guesthouses and hotels, and pay particular attention to restricting the unchecked development of high-grade guesthouses, luxurious hotels, large commercial centers, and all kinds of high-standard public houses. We should also shift the focal point and work emphasis of urban construction work to strengthening management, maintenance, and service, and fully display the role of the existing urban facilities. Strenuous effort should be made to actively strengthen the building of urban infrastructure facilities, particularly solve the glaring problems affecting the urban economy and social development, give special attention to solving the problem of urban residents' drinking water, the housing problem of households with great difficulties, and the water drainage problem in low-lying land.

Regarding the comprehensive development of urban construction, the conference proposed that in the future we may implement the system of collecting funds for urban construction and environmental education and that in principle no new foreign-funded or joint-funded real estate development companies will be examined and approved. It is necessary to realistically strengthen the overall price control of commodity houses and to implement the price ceiling system in various districts and various housing categories.

The meeting proposed: Vigorous efforts should be made to manage public bidding for construction projects, further set norms to keep the construction market activities within proper bounds, strengthen management over the construction market and the market of construction decorations, and continue to comprehensively control the total number of construction teams throughout the province.

#### Foreign Experts Assisting Shenyang Enterprises

*OW2502015892 Beijing XINHUA in English  
0133 GMT 25 Feb 92*

[Text] Shenyang, February 25 (XINHUA)—Shenyang, the capital of northeast China's Liaoning Province, has invited more than 500 foreign experts to the city in recent years to help with technological transformation and improvements.

The experts came from over 20 countries and regions, including the United States, Japan and Germany.

In 1989, the central government designated Shenyang, one of the country's old industrial bases, as a key experimental city to introduce foreign technological expertise.

The city established an "international personnel exchange and development fund" to assist key enterprises as efforts to attract foreign experts. At present, the fund contains 2.6 million yuan (about 480,000 U.S. dollars).

Last April, the Shenyang No. 213 Machine Tool and Electrical Equipment Factory hired two German experts to help solve technical problems encountered in the production of electric relay switches.

The experts provided factory workers with detailed guidance concerning product design, production and testing.

The technological transformation of the factory, a key project during the Eighth Five-Year Plan period (1991-1995), is expected to add 30 million yuan (5.5 million U.S. dollars) to the factory's output value and four million yuan pre-tax profits.

In addition to helping enterprises develop new products and high technology items, foreign experts in the city also helped the workers to increase their technical knowledge.

With the technological expertise provided by experts from the United States and Japan, the Shenyang No. 3 Machine Tool Factory will produce over 600 pieces of digital machine tool equipment during 1992, 80 percent of which will employ high technology.

The presence of foreign experts has played an important part in the city's opening to the outside world, according to sources from the municipal government.

In 1992, the city plans to invite another 100 foreign experts, in addition to sending over 400 people abroad for training.

#### Export Value of Township Enterprises Up in 1991

*SK2502031992 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 24 Feb 92*

[Summary] In 1991, the export value of the town and township enterprises of Liaoning Province surpassed 3 billion yuan, accounting for 25 percent of the total export value of the provincial foreign trade front. Last year, the value of export goods made by town and township enterprises reached 3.286 billion yuan, an increase of 1.1 billion yuan over 1990.

#### Liaoning Holds Conference on Building Colleges

*SK2402125792 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 22 Feb 92*

[Text] The Liaoning Provincial conference on the party building of higher educational institutes and the work of their presidents concluded in Shenyang today after a three-day session. The major tasks of this conference were to conscientiously work out ways to implement the guidelines of the two national conferences on the party building of higher educational institutes, further strengthen the party building of higher educational institutes, and arrange the work of the higher educational institutes of the province for 1992.

At the conference, Wang Chonglu, Standing Committee member, secretary of the committee for the work of

higher educational institutes, and director of the propaganda department of the provincial party committee, gave a report at the conference entitled: Conscientiously Implement the Guidelines of the National Conferences on the Party Building of Higher Educational Institutes and Further Strengthen the Party Building of Higher Educational Institutes. He said in the report: In the 1990's, higher educational institutes should make more efforts to comprehensively improve the quality of education, the quality in training talented people, and the efficiency in running institutes. They should adhere to the concept that science and technology are the primary productive forces, give full play to their advantage of having large numbers of strong teaching and scientific research personnel, and take the road of integrating education and scientific research with production. They should achieve success in replacing the old cadres and teachers with the new, regard it a long-term strategic task to build a contingent of young and middle-aged teachers who are both socialist-minded and vocationally proficient, and place it in a prominent position. The provincial party committee hopes that under the current international and domestic circumstances, higher educational institutes will at least attain the following goals for party building. First, party organizations at all levels, from party committees down to party branches, will be able to play their role as political centers and fighting bastions. Second, the contingent of party's activists among young intellectuals will be expanded and the quality of the party members in higher educational institutes will be improved. Third, the overwhelming majority of teachers will be ideologically and politically sound, be able to unite around party organizations, and succeed in imparting knowledge and educating people. Fourth, a group of backbone students will be brought up who study Marxism, unite around party and Communist Youth League organizations, actively support the party and socialism, and play a key role in uniting students. Fifth, a contingent of cadres and teachers composed of old, middle-aged, and young ones will be developed to play a leading role in political and vocational work. Sixth, every higher educational institute will be able to blaze a road and accumulate experiences in party work and ideological and political work that conform to the reality of the institute.

Provincial Vice Governor Wang Wenyuan spoke to arrange the work priorities of Liaoning's higher educational institutes for 1992. Ten workers outstanding in the ideological and political work of higher educational institutes were commended at the conference. They included (Zhu Mingyan) from the Dalian College of Science and Engineering, advanced collectives and advanced workers of the laboratories of higher educational institutes, and outstanding achievements in the sample survey of [words indistinct] of higher educational institutes.

#### Animal Husbandry Meeting Reviews 1991 Gains

SK2402122092 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 22 Feb 92

[Text] The provincial animal husbandry meeting concluded today. Directors of city animal husbandry

bureaus attended the meeting. Feng Yousong and Li Jun, vice chairmen of the provincial people's congress Standing Committee, and Xiao Zuofu, provincial vice governor, attended and addressed the Meeting.

Xiao Zuofu pointed out in his speech: Last year saw the fastest and the greatest development in the animal husbandry of Liaoning. The output of meat, eggs, and milk and the output value of animal husbandry all hit all-time highs. The self-sufficiency in meat supply for which we had fought for several decades was finally realized last year. The production of eggs and milk also increased by 22.3 and 15.7 percent, respectively, over the preceding year, enabling Liaoning to become self-sufficient and have some surplus supply. A great number of fairly large-scale wholesale markets for animals and animal by-products also emerged as the situation required, thus breaking with the traditional channels for the business of animal by-products and providing favorable conditions for the development in the production of animal by-products.

While affirming the achievements, Comrade Xiao Zuofu urged all localities to step up efforts to improve their service systems, adjust the production structure, enliven the circulation of animal by-products, raise the efficiency in production, and facilitate the development of animal husbandry.

#### Northwest Region

##### Gansu Governor Tours Agriculture Reclamation Site

HK2202072092 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 13 Feb 92

[Excerpts] Our province's agricultural reclamation sector has relied on reform and blazed a new path with its own distinctive features. Governor Jia Zhijie fully affirmed the achievements scored in the work of agricultural reclamation when investigating and studying the (Tiaoshang) state farm, and demanded that the farm establish the thinking of a commodity economy and large-scale agriculture, increase elements of reform and expedite the pace of reform.

On the 11th and 12th, Jia Zhijie, Huang Zhengqing, Lu Ming, and other provincial leaders and persons-in-charge of concerned departments braved severe cold to arrive at the (Tiaoshang) state farm for a field inspection of new enterprises initiated at the start of this year—(Tiaoshang) Wine Brewery, (Jingtai) Wool Factory and other such enterprises; listened to work reports by the farm and provincial agricultural reclamation headquarters; and helped the grass roots solve practical problems. [passage omitted]

Jia Zhijie hoped that the relevant provincial departments would further help the agricultural reclamation sector deepen reform inside enterprises, tap its potential, launch it on track of development and support it for a

certain period. Jia Zhijie said: The agricultural reclamation sector across the province must increase elements of reform, expedite the pace of reform, and strive hard to ensure that, in structural reform, cadres are willing to work in whatever posts they are assigned to; workers can work inside or outside the factories; their income can be lowered or raised; and enterprises can be both highly regimented and flexibly structured so that enterprises are competitive and have a sense of urgency. We must uphold the direction of taking grain as the foundation in conjunction with diversified economy and integrated development; establish the thinking of a commodity economy and macroagriculture. We must develop competitive and export products that carry our own superiority; take the initiative to compete in the international market; develop green industries and efficiency-oriented agriculture; set up in planned steps a number of non-staple food bases; render good services to society; and contribute more to the country.

#### **Assistance to Hydropower Station**

*HK2402101692 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 22 Feb 92*

[Excerpts] The second-phase project of the Jintaichuan Hydropower Station, a key hydropower station on the upper reaches of the Huang He, has come across enormous difficulties since construction started in 1984. Governor Jia Zhijie has all along personally shown great concern for the project and has done what he could to help the project tide over numerous difficulties. [passage omitted]

In the spring of 1988, when the project was suffering from a shortage of construction funds, electricity, goods, and materials, Comrade Jia Zhijie led persons in charge of the provincial finance department, goods and materials department, and electric power department to the construction site to work on the spot to help handle pressing issues. [passage omitted]

In the summer of 1989, Governor Jia Zhijie joined Han Zhengqing, provincial party committee standing committee member, and Lu Ming, the vice governor, in going by car to the construction site of the Jintaichuan Hydropower Station's second-phase project, where they showed particular concern for such problems as soaring prices of raw and processed materials, short supply of essential goods and materials, and so on. [passage omitted]

On 16 October 1990, braving a drizzle, Governor Jia Zhijie led more than 50 people in charge of the provincial planning commission, finance department, and other departments concerned to conduct an on-the-spot inspection of the Jintainchuan Hydropower Station's second-phase project. [passage omitted]

On 12-14 February 1992, Governor Jia Zhijie led people in charge of the provincial agriculture commission, water resources department, and planning commission to go to the construction site of the Jintainchuan Hydropower

Station's second-phase project to extend appreciation and greetings to the staff and workers holding fast to their positions during the festival period. Jia Zhijie also called an on-the-spot work meeting at which he personally made decisions on solving four major problems, including the lack of investment in the project. [passage omitted]

#### **Urumqi-Ala Pass Passenger Railway Launched**

*OW2402125592 Beijing XINHUA in English 1057 GMT 24 Feb 92*

[Text] Urumqi, February 24 (XINHUA)—A passenger train starting from Urumqi, capital of China's Xinjiang Uygur Autonomous region to Ala Mountain Pass on China's western border in the region started its formal service on February 22.

The 460-km-long railway line was completed in 1990. Construction began in 1985. With 37 stations, the line is a key part of "the Second Europe-Asia Land Bridge". It connects with the Turkmenia-Siberia railway of the Commonwealth of Independent States.

Ala Mountain Pass has been designated by the central government as a first-rank commercial port.

The opening of the passenger train service is a major step to the Second Europe-Asia Land Bridge International Transportation Program which will be realized later this year.

#### **Xinjiang Farmers 'Popularize' Scientific Methods**

*OW2502090992 Beijing XINHUA Domestic Service in Chinese 0321 GMT 24 Feb 92*

[By correspondent Zhu Zhenlu (2612 7201 7120)]

[Text] Urumqi, 24 Feb (XINHUA)—At a recent regional agricultural production conference, Mi-ji-ti Na-si-er, director of the Agricultural Bureau of the Xinjiang Uygur Autonomous Region, joyfully announced: Science and technology has contributed greatly to Xinjiang's agriculture. In 1991, the "Bumper Harvest Projects" alone had helped increase the region's agricultural output value by 704 million yuan.

In 1991, 5,435 scientific and technological personnel and cadres, organized into 42 contract groups and 1,264 contract teams, provided service to 285,000 peasant households. In addition, through technological training, 550,000 peasants became a major force in the use of science and technology to promote agricultural development. These peasants made outstanding contributions to the "Bumper Harvest Projects."

The region carried out 18 "Bumper Harvest Projects" last year, covering 19 million mu of land. Grain crops, which totaled 12.9 million mu, had a per unit yield of 309 kg, an increase of 35.5 kg over the bumper harvest year of 1990. The total yield was 231 million kg, representing 332 million yuan in increased output value.

Cotton crops totaled 3.78 million mu. The output of ginned cotton was 311 million kg. Its per unit yield increased by 13.2 kg, making Xinjiang the highest in per unit yield in the nation. The increased output value was 291 million yuan.

In the course of implementing "Bumper Harvest Projects," various localities made great efforts to popularize fine strains and varieties of crops. They used

high-yield cultivation methods, water-saving irrigation systems, improved fertilizer application methods, plant disease prevention and treatment techniques, plant growth formulas, and other practical agricultural techniques and measures. Last year, they used a yield-increasing technique called "Yemianbao" [0673 7240 1405] in the growth of 5 million mu of crops. The technique helped increase their output value by 60 million yuan.

**Role of Taiwan Capital on Mainland Viewed**

HK2202071092 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0624 GMT 12 Feb 92

[Commentary by staff reporter Guo Weifeng (6753 0251 6912): "Three Big Moves in Mainland Provinces, Cities To Introduce Taiwan Capital"]

[Text] Beijing, 12 February (ZHONGGUO XINWEN SHE)—At the very beginning of the new year, this reporter interviewed governors, mayors, provincial party committee secretaries, and Taiwan Affairs Office officials of nearly half of the mainland's provinces and municipalities, including Beijing, Shanghai, Guangdong, and Fujian. From the interviews, the reporter learned that Taiwan-funded enterprises were developing rapidly on the mainland and the various mainland provinces and municipalities had vied with one another in introducing new measures to absorb capital from Taiwan. The year 1992 will be a year of greater activism for Taiwan businessmen on the mainland.

Last year, Guangdong attracted the most Taiwan capital among other provinces. It had an additional 410 Taiwan-funded enterprises and absorbed \$600 million in capital from Taiwan, which included \$490 million for use under agreements and \$130 million used for processing with supplied materials, assembling with supplied parts, and compensatory trade. Fujian Province ranked second in the country in this regard. It approved an additional 320 Taiwan-funded projects involving \$400 million in contracts.

The other provinces and municipalities have also done quite well in attracting Taiwan capital. Compared with the previous year, the amount of Taiwan capital absorbed of Hainan Province last year increased 190 percent; that of Shanghai, 50 percent; that of Liaoning, 34 percent; that of Beijing, 30 percent; and that of Nanjing City, Jiangsu, 60 percent. Thus, one may well say that Taiwan capital is playing an increasingly important role in the endeavor for the various mainland provinces and municipalities to open their economies to the outside world. Leading cadres of provinces and municipalities have thus attached great importance to it.

According to the remarks of the interviewed leading cadres of provinces and municipalities, this year the mainland will take three big moves to absorb Taiwan capital:

1. The mainland will open wider to Taiwan capital on a higher level.

Take Hainan Island for example. In the past, Hainan was keen on building several separate investment zones for Taiwan businessmen. Last month, Governor Liu Jianfeng said: This year will be a year for Hainan to carry out opening up, reform, and construction in a big way. Taiwan compatriots can accomplish much in such areas as developing Yangpu and export-oriented agriculture.

He held: Taiwan capital will become more and more pronounced in Hainan's development and construction.

According to Guangzhou Mayor Li Ziliu, Guangzhou hoped that cooperation between Guangzhou and Taiwan would move to a higher level and more and more Taiwan-funded enterprises would become technology-intensive and get involved in transforming large and medium enterprises and building projects for basic facilities.

Fujian Governor Jia Qinglin informed this reporter that Fujian would guide Taiwan businessmen in investing and undertaking large, highly efficient, and high-tech projects.

Apparently, mainland provinces and municipalities hope to absorb more capital from Taiwan, open more fields of endeavor to Taiwan capital, and lead Taiwan investment to a new level so as to gain better economic results.

2. The mainland will work out various kinds of effective and practical investment plans.

In the past, when attracting Taiwan capital, most of the mainland provinces and municipalities one-sidedly stressed using preferential policies but obviously, they have recently had practical concrete plans for absorbing Taiwan capital.

This year, Sichuan Province will open 100 appealing enterprises to Taiwan investment and hope to jointly run "grafting [jia jie shi 1268 2234 1709]" enterprises with Taiwan businessmen. Hubei Province has already slated specific projects for cooperation with Taiwan businessmen in high technology, energy, communications, mining, and other industries. The cooperation projects offered by Beijing Municipality are also eye-catching. Nanjing focuses its cooperation projects mainly on light industry and Liaoning on the transformation of old enterprises. All provinces and municipalities have brought their own strong points into play, thus attracting Taiwan capital in large quantities.

The facts have shown that one of the reasons Taiwan-funded enterprises have grown rapidly in number in the various localities throughout the country in recent years is that the moves taken by the localities to attract Taiwan capital are more practical, definite, and feasible than in the past.

3. The mainland will energetically improve infrastructures.

During the interview, the mainland provincial and municipality leading cadres pointed out: Improving projects for basic facilities is one important measure for them to absorb capital from Taiwan.

Zhu Senlin, [Guangdong] governor, said: In the years to come, Guangdong is to undertake a number of power plants, transform the quasi-high-speed railways, and build a network of expressways. He believed that a great

breakthrough would be first made in the economic and trade cooperation between Guangdong and Taiwan. Chen Huanyou, [Jiangsu] governor, also said: Jiangsu is to speed up construction of such selected infrastructures as roads, ports, and airports to provide Taiwan businessmen with a sound investment environment. Anhui Province, a victim of the recent floods, has also planned to work hard to improve projects for basic facilities. Lu Rongjing, [Anhui] provincial party committee secretary, said: It is very important to the absorption of Taiwan capital to accelerate the work to open Wuhu Port to the outside world and put the Huang Shan International Airport into operation.

These big moves serve as major glad tidings to Taiwan businessmen. They will have more investment opportunities on the mainland and their investments there will go more smoothly. The deepening of the mainland's reform and opening up to the outside world will benefit compatriots on both sides of the strait.

#### **Democratic Progress Party Faces Forced Disbandment**

*HK2402130092 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1105 GMT 13 Feb 92*

[Commentary by Li Xiaozhun (2621 1321 6150)]

[Text] Hong Kong, 13 February (ZHONGGUO TONGXUN SHE)—The Democratic Progressive Party [DPP], the largest opposition party in Taiwan, which has been operating painstakingly for five years, is now facing the fate of being subject to a forced disbandment by the authorities for the inclusion of a Taiwan independence clause into its party constitution. The Taiwan Executive Yuan's Political Party Examination Committee [TEYPPEC] will pass final judgment on the case on 24 February. Since the move concerns the DPP's life or death and it could lead to unrest in Taiwan's political arena, it has become the focus of attention of island politicians.

The DPP's wanton inclusion in October last year of the "Taiwan independence clause" into its constitution aroused strong discontent and invited floggings from people of various circles at home and abroad. The Taiwan authorities concerned set about gathering evidence of the DPP's violation of laws and regulations concerning political organizations but determining how to start handling the case gave them a headache. Since October last year up to now, although the TEYPPEC has held four discussion meetings, no final conclusion has been reached on the case. It has been reported that the main reason the authorities had not punished the DPP

for including the Taiwan independence clause after stalling for a long time was that they still hoped the DPP would step down [xia tai jie 0007 0669 7132] of its own accord and thus resolve the legal problem arising from the Taiwan independence clause to avoid the resulting shocks to the political arena. However, the DPP has not given in. Capitalizing on the DPP's crushing defeat in last year's "National Assembly" elections, which gradually weakened the party, the Kuomintang [KMT] authorities wanted to forcibly disband the DPP.

Currently, Shih Chi-yang, principal member of the TEYPPEC in charge of the case, has openly stated that on no account will the punishment for the Taiwan independence clause be delayed and the examination committee would pass final judgment. He hinted that the authorities were determined to disband the DPP at any cost rather than deal with it leniently and rush through the case by just giving "a warning."

Facing possible disbandment, in the last few days, Hsu Hsin-liang, DPP president, drank alcohol as usual and emphatically told the media: The DPP will take no notice of the punishment meted by the Political Party Examination Committee and any disbandment of the party will arouse popular counteraction and the party will thus get more united. Huang Hsin-chieh, chief adviser to the DPP, said: If the KMT does decide to disband the DPP, it will pay a heavy price for it in the Legislative Yuan elections, which are scheduled to be called at the end of this year. However, some people from the DPP warned that if the DPP was given a stern punishment and disbanded, the party would be forced to take a confrontation line outside the establishment. Yesterday, the DPP Central Committee adopted a six-point resolution against disbandment: The whole party will operate as usual, give comprehensive public lectures in the countryside, prepare for a referendum, consider quitting the "National Assembly" special session, join pro-referendum demonstrations to be staged in Taichung, and recruit more members.

Since the five-year-old DPP has become a political party with certain strength in Taiwan's political arena, the scope of endeavor involved by any punishment of the DPP will not only concern the DPP authorities themselves but also have a great impact on the further relationship between the KMT authorities and the DPP. It will possibly lead to a political deadlock that can hardly be broken easily and to continuous unrest in the political situation. Therefore, whether or not the Taiwan Executive Yuan is unshakable in its determination to forcibly "disband" the DPP for its Taiwan independence clause remains to be seen.

**Visits of Foreign Dignitaries to Taipei Reported**

*OW2402085692 Taipei CNA in English 0759 GMT  
24 Feb 92*

[Text] Taipei, Feb. 24 (CNA)—John Redwood, British minister of state for corporate affairs, Department of Trade and Industry, arrived in Taipei Sunday for a three-day private visit.

Redwood is the highest-ranking British official to visit Taiwan in four decades.

The British vice minister said his main purpose here is to learn more about the Republic of China's economic situation and to meet British businessmen and financial industry executives here.

A 10-member delegation of the House of Commons of Canada, led by Geoff Wilson (Progressive Conservative, Saskatchewan), flew into Taipei Sunday for a seven-day visit.

During the visit, the delegation will call on the president of the Legislative Yuan Liu Sung-fan, Foreign Affairs Minister Fredrick Chien, and other government officials. They will also visit cultural and economic organizations in Taiwan.

Hans Stercken, chairman of the Federal German Parliament's Foreign Affairs Committee, is scheduled to arrive in Taipei Monday afternoon for a three-day stay.

Stercken is visiting here at the invitation of the Ministry of Foreign Affairs and legislator Wang Chih-hsiung who had met with Stercken during a visit to Germany in January.

**Legislators Promise Medical Supplies to Belarus**

*OW2202132392 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 21 Feb 92*

[From the "National News Hookup" program]

[Text] Our country has promised to provide Belarus, a member of the Commonwealth of Independent States, with medical supplies worth \$500,000. As soon as Belarus sends us a list of medical supplies they need, the Ministry of Foreign Affairs will coordinate with the Department of Health and other relevant units in providing the aid.

When meeting the Belarussian vice foreign minister during a recent trip to Belarus and other countries, a group of Taiwan legislators, including (Huang Ming-ke) and (Hung Teng-kui), conveyed a message from the Ministry of Foreign Affairs regarding the aid.

The Belarussian Government is very grateful for our aid. It will send us a list of medical supplies required.

**Rice Donations Shipped to Mongolia, Russia**

*OW2202084692 Taipei CNA in English 0807 GMT  
22 Feb 92*

[Text] Taipei, Feb. 22 (CNA)—Two thousand tons of rice donated to Mongolia was shipped from Kaohsiung Saturday.

The rice will be shipped to Tianjin for transshipment to Mongolia.

Meanwhile, 10,000 tons of rice will be shipped from Taichung harbor to Vladivostok on March 3.

Taiwan has donated 100,000 tons of rice to the Russian Republic.

**President Decorates Korean Special Envoy**

*OW2202081592 Taipei CNA in English 0748 GMT  
22 Feb 92*

[Text] Taipei, Feb. 22 (CNA)—President Li Teng-hui conferred Friday a Medal of the Order of Brilliant Star with grand cordon on Min Kwan-sik, special envoy of Korean President No Tae-u.

The honor was given in recognition of Min's efforts over the past years to promote friendly and cooperative ties between the Republic of China [ROC] and the Republic of Korea.

Min said it was his "highest honor" to be awarded the medal. He added that he hopes the traditional friendship between the two countries will be further strengthened.

Witnessing the awarding ceremony were Chiu Chin-yi, deputy secretary general of the presidential office; Vice Foreign Minister John Chang; Korean Ambassador Pak No-yong; and Pak yang-chon, a Korean Foreign Ministry official.

President Li then had talks with Min on a wide range of topics revolving around relations between the two countries.

Min, speaking on behalf of No, said Korea cherishes very much its friendship with the Republic of China.

The special envoy stressed that Sino-Korean ties will remain unchanged.

Min, a former National Assembly speaker, then delivered a handwritten message from No to Li in which the Korean chief of state gave his best regards to his ROC counterpart.

Li observed that the ROK and the ROC should strengthen their cooperation in order to increase the welfare of their peoples in the wake of the fall of communism in East Europe.

The president also welcomed Korean companies to bid for major construction projects that are a part of the ROC's Six-Year National Development Plan.

He especially hopes that both countries will jointly develop new technologies.

Vice President Li Yuan-zu later hosted a dinner party in honor of Min and his wife. Li told his Korean friends that Taipei attaches great importance to its ties with Seoul and hopes to strengthen them.

**Editorial Views Prospects of Links With Mainland**

*OW2202151392 Taipei CNA in English 1402 GMT  
22 Feb 92*

[Editorial published in EXPRESS NEWS, a CNA newspaper, on 22 February: "Three Direct Links"]

[Text] Taipei, Feb. 22 (CNA)—Peking has been demanding three "direct links" across the Taiwan Strait as a step forward toward China's unification. The three are direct postal and telecommunications service, direct trade and direct cross-strait transportation.

So far all three have remained indirect links. Almost all such exchanges have routed through Hong Kong.

Taipei has not refused to have direct links of cross-strait exchange. But no direct interchange is possible now, because the time is not ripe, yet.

That was what Premier Hao Po-tsun told Peking in an administrative report he made before the Legislative Yuan on Friday.

Mr. Hao laid down three conditions for opening the three direct links between Taiwan and Mainland China to pave the way for eventual unification. They are: peaceful competition between the two sides of the strait, mutual acceptance of each other as a political entity on an equal footing, and coexistence in the international community.

None of the three conditions are hard to accept. All it takes is for Peking to renounce the use of force on arms against Taiwan and accept the political [words indistinct].

Taiwan, with a population on 20 million and a per capita income expected to rise to U.S.\$10,000 this year, is a reality no one can ignore. Another reality is that the island is a worthy member of the world community. As such, it has a role to play there. And that hurts Peking's pride.

Deng Xiaoping does not want to renounce the use of force, because he believes a foreign power may interfere in the affairs of Taiwan or the island may declare independence. Foreign interference is simply out of the question. Taiwan's independence has long been a lost cause.

There is no reason why Peking should not welcome the three conditions so that the three direct links may be forged at once for the mutual benefit of the two sides of the Taiwan Straits.

**Battleship Strength Precludes Troop Reductions**

*OW2502091092 Taipei CHUNG YANG JIH PAO  
in Chinese 20 Feb 92 p 1*

[Text] Chief of General Staff Liu He-chien has issued an order with immediate effect that states that there will be no troop reductions in the Navy in order to meet the future needs of an increasing number of battleships. When the Knox-class cruisers, being leased from the United States, the second generation of domestically produced Chengkung [2052 0501]-class cruisers, and French Lafayette-class cruisers go into service, our country will have a naval force in the western Pacific rivaling that of the Chinese Communists and Japan.

It has been learned that in addition to the expected incorporation of the three types of battleships, as noted in the order by Liu He-chien, the "Yangyu" [7122 1342] destroyer currently in service will not be retired. This is another reason why the Navy will need to maintain personnel levels.

Naval manpower is currently at 68,000. When new and used ships become available and go into service, the Navy will certainly need to do more recruiting. As of now, the Navy expects to obtain the following ships:

1. Knox-class cruisers. These will be leased from the U.S. military. Sources in the Navy indicate that the lease fee is quite low because the lease is handled as military exchange between friendly nations. Four Knox-class ships are expected to be handed over in August 1993.
2. The second generation of Chengkung-class missile cruisers. A total of eight of these ships will be built. The first is expected to be put into service in May 1993. The whole project will be completed by October 1999.
3. Lafayette-class cruisers: under construction.
4. Coastal patrol ships. These ships are in the 800-tonnage class and are currently under development by the Joint Vessel Development Center.

The Navy's expansion plan was undertaken while Ye Chang-tung was commander in chief and continued after Liu He-chien assumed office. The Navy also experienced numerous difficulties in maintaining its combat readiness, particularly because it is a service that requires sophisticated and specialized training for its personnel.

Once the expansion plan is complete, our Navy is expected to become one of three major naval forces in the western Pacific. Someday our naval strength might be just slightly behind that of the Chinese Communists but would be almost be on par with Japan. Moreover, the Taiwan Strait is a key sea lane for Japanese imports. It remains to be seen how the expansion will affect the strategic situation in the western Pacific and just how Japan will react.

**Editorial on Publication of First Defense Report**

*OW2402190892 Taipei CNA in English 1357 GMT  
24 Feb 92*

[24 February Editorial from EXPRESS NEWS:  
"Defense Report"]

[Text] Taipei, Feb. 24 (CNA)— The Ministry of National Defense marked a milestone last week when it released the first ever defense report in the history of our republic. It was another giant step by our government toward opening up its operation to the public in the spirit of democratic reform. It also reflected the belief of our government in its ultimate accountability to the people.

Since the people provide the two major resources of our national defense—money and manpower, they have a right to know how and why the resources are being utilized. For decades, unfortunately, our government has been extremely protective of any information that may relate to national defense, indiscriminately classifying them all as national secret. Although foreign military publications have carried details about the equipment and capabilities of our armed forces, disclosure of such information in our own publications has been regarded a criminal offense equivalent to espionage and treason. As our enemy may get easy access to such information through foreign publications, one cannot but wonder whether the government was trying to hide the information, not from our enemy, but from our own people.

A government has the right, and indeed an obligation, to classify certain information for national security reasons. But when this right is abused, people may suspect that the government keeps the information from the public not to protect national security but to protect itself. Furthermore, when everything is classified nothing is classified, because some people may question the need for the classification and choose to make public on their own the information they think have no bearing on national security. The result is a total breakdown of the classification system.

The release of the defense report should therefore be viewed not only as a recognition by our government of the people's right to know, but also a beginning to straighten up our system of classification. When the government releases the defense-related information which it believes can be made public without affecting our national security, the public should respect the government's obligation to withhold the information that does have a bearing on our national security. This applies specifically to some of the legislators who have demonstrated an inclination to release to the public the information they have received in confidence from government officials.

**Truth of 1947 '2-28 Incident' 'Pieced Together'**

*OW2402085392 Taipei CNA in English 0754 GMT  
24 Feb 92*

[Text] Taipei, Feb. 24 (CNA)—A report on the Feb. 28, 1947 incident, in which over 28,000 rioters, soldiers, and innocent civilians were killed, was released over the weekend.

The 400,000-word report was prepared by a group of scholars under the auspices of the Executive Yuan. Attached to it is an appendix of more than one million words of first-hand materials about the incident.

To piece together the truth about the unfortunate event, the Executive Yuan established in late 1990 an ad hoc group, which began in March, 1991 to visit families of victims and collect first-hand information concerning the incident. The report took nine months to complete.

According to the report, the incident was touched off by a minor case in which a woman selling untaxed cigarettes was beaten in Taipei by an antismuggling officer on Feb. 27, 1947. Police mishandling of the case led to public protests. The protesters attacked government buildings, and one person was shot dead the next day.

The protest became riots, which spread quickly to other parts of Taiwan. Armed confrontations began when rioters obtained weapons after attacking military and police units in some places.

Troops were called in from the mainland to suppress the riots after rioters established a "Feb. 28 incident committee" in Taipei and issued a statement containing 42 demands. The action was deemed rebellious.

The incident occurred only one and a half years after Taiwan was retroceded to China after 50 years of Japanese colonial occupation. The incident resulted primarily from insufficient mutual understanding between the nationalist government and the people in Taiwan, the report pointed out.

The report also blamed the tragedy on mishandling of the case by officials, government's ignorance of public opinions, corruption, worsening economic conditions, political discrimination against the people of Taiwan, and other complex social and cultural situations of that period.

Members of the ad hoc group said at a press conference that the report was aimed at presenting a clearer picture of the incident, and that they did not intend to judge who was to blame.

However, the report said that then Taiwan Governor Chen Yi, chief of staff of the Taiwan garrison command Ke Yuan-fen, and a few other military and public security officers should probably be blamed for mishandling of the incident.

They regretted that they were unable to figure out the exact number of casualties in the incident. Estimates of

deaths ranged from a few thousands to tens of thousands. However, the report said it is probably accurate to say that 18,000 to 28,000 people were killed in the event known as "2-28 incident."

Presidential Office Spokesman Chiu Chin-yi said that President Li Teng-hui has long hoped to heal the historical wound and that the president is grateful to the scholars who have made the completion of the report possible.

The conclusions and recommendations made by the scholars in the report are fully respected by President Li, Chiu added.

Vice Premier Chih Chi-yang said the ad hoc group will proceed to study feasible ways to console and compensate the families of the victims. A memorial will be built next year in Taipei to commemorate the incident. A concert will also be held Monday evening in Taipei in commemoration of the incident.

The historical wound shall be healed with love and care, he added.

### **Li Attends Commemoration**

*OW2502093892 Taipei CNA in English 0800 GMT  
25 Feb 92*

[Text] Taipei, Feb. 25 (CNA)—Top officials of the government and the relatives of victims of the Feb. 28, 1947 Incident attended a very special concert Monday evening at the national music hall to commemorate the tragic incident.

Before the concert began, President Li Teng-hui, Premier Hao Po-tsun, former Democratic Progressive Party Chairman Huang Hsin-chieh joined religious leaders and family members of those killed in the incident to stand in silence over the incident.

Addressing the occasion, President Li said the government will join the private sector in forming a committee for building a monument to commemorate the "2-28" Incident.

"We hope that the monument will not merely symbolize sadness, but will also mark a new beginning in restoring our personalities and in reconstructing the whole social psyche," Li said.

He added that a government task force, which has published a detailed report on the incident, will continue to work on how best to remedy the sad effects of the incident.

The president said "hatred and grievance will only deepen wounds; only love and forgiveness will allow us to walk out of the shadows of sadness."

"And only by bravely and candidly facing the facts can we be relieved of historical pains, and learn a lesson from history," Li continued.

Over four decades have passed since the unfortunate incident occurred, "but time has not made us insensitive; rather it has made us mature," the president said.

"Nor has time dulled our memories; rather it has increased our wisdom, enabling us to use reason to solve problems and enabling us to pool love and care to warm the hearts of bereaved family members," said the president.

Now people from all the provinces and major cities of Mainland China have formed a "community of common fate" on the island of Taiwan, he said.

By cleansing away the last vestiges of the "2-28" shadow, the people on Taiwan will "transcend historical misfortune" and join hands to seek a bright future with broadened minds, the president concluded.

The concert drew a packed audience, which had to pass through strict security checks before entering the concert hall.

**Hong Kong****PRC Vice Premier Receives 'Hostile' Reception**

*HK2302011392 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 23 feb 92 p 1*

[By Gary Chan]

[Text] China's reformist vice-premier Mr Zhu Rongji flew into a hostile reception in Hong Kong last night. Angry student demonstrators surrounded his car and he had to be bundled away by police.

Mr Zhu, flying in from New Zealand, was being driven out of Kai Tak in a grey limousine when its path was blocked and its windshield covered by a banner reading: "Free the pro-democracy activists."

The car was forced to stop. Police dragged away students chanting slogans and photographers flashing cameras at the vice-premier, who was sitting in the back seat.

After police cleared a way through, the limousine left swiftly under the escort of NEW CHINA NEWS AGENCY (NCNA) officials and Special Branch officers.

There were no arrests.

Mr Zhu is the highest ranking Chinese official to visit Hong Kong since the Tiananmen Square crackdown in 1989.

He arrived on a Cathay Pacific flight from Auckland after two weeks on a hectic tour of Australia.

NCNA officials said the vice-premier's stopover would be low-profile and there would not be any official activities before he left tomorrow morning.

The chairman of City Polytechnic's students' union, Mr Pun Hei, said after the rally: "We feel very disappointed that we are ignored by Mr Zhu Rongji. We have the right to express our opinions on behalf of the imprisoned dissidents."

More than 20 students held up banners and chanted slogans before and after Mr Zhu's arrival at the airport's VIP exit.

The students originally planned to present a statement to the vice-premier which called on the Chinese Government to unconditionally acquit all imprisoned pro-democracy activists (including religious leaders) and revive their civil rights; to respect and protect the basic rights of Chinese citizens and to honour the Chinese public's will to step up democracy and political reform.

Mr Pun said: "It's a pity that we were informed about Mr Zhu's visit on Friday night and therefore were unable to mobilise a large number of students. But at least we have representatives from City Polytechnic, Hong Kong Polytechnic, Shue Yan College and Chinese University.

Asked if the students were disappointed that Mr Zhu was bold enough to confront pro-democracy activists on his arrival in Sydney but tried to avoid them in Hong Kong, Mr Pun said: "Of course we are disappointed. We think he should be bold enough to face us and receive our petition letter."

Hailed as "China's Gorbachev", Mr Zhu was promoted to become a vice-premier last April after three years as a mayor of Shanghai.

Mr Zhu also headed the Chinese Government's Production Office which launched a series of sweeping reforms to revamp more than 1,000 state-run enterprises by giving them capitalist-style management powers earlier this month.

**RTHK Privatization, JLG Importance Examined**

*HK2202070892 Hong Kong WEN WEI PO in Chinese 21 Feb 92 p 11*

[("Special commentary" by Cheng Han (4453 2498): "From 'Gaining Mastery by Striking Only After The Other Side Struck' to 'Forestalling the Opponent by a Show of Strength"—Commenting on Remarks by Some Officials of the British Side and the Hong Kong Government")]

[Text] At the end of last September, the Sino-British Joint Liaison Group [JLG] reached an agreement in principle on the establishment of the Hong Kong Court of Final Appeal. During the following dozen days, no divergent views were heard on this issue. However, by late October, a storm came out of nowhere. Using the proportion of overseas judges as an excuse, some people purposely stirred up disputes in an attempt to break the agreement reached at the diplomatic level between China and Britain. On 21 October, the spokesman of the British Foreign Ministry in Hong Kong indicated that the JLG is not a decisionmaking body and the Hong Kong Government has the full powers to determine the Court of Final Appeal's structure. Such a practice, by which agreement was reached before oppositions were raised, aroused a public outcry at the time. Although this gentleman denied what he had said, newspapers had already published his remarks in black and white. Under such a situation, a high-ranking British Foreign Ministry official had no alternative but to clarify that what this spokesman had said did not represent the British Government's position.

This did not come singly but in pairs. At a time when both Chinese and British sides are about to submit the subject of the future direction of Radio Television Hong Kong [RTHK] to the JLG for discussion, certain British and Hong Kong Government officials have begun to air their "brilliant ideas" one after another. The spokesman of the British Foreign Ministry in Hong Kong indicated the day before yesterday: RTHK's independence is among the topics which will be discussed by the JLG. However, just as with the Court of Final Appeal issue, this issue is subject to the final decision of the Hong

Kong Government. The JLG can carry out discussions on a number of issues, yet it has no right to force the Hong Kong Government to make decisions on these issues. Astonishingly, his recent remarks are similar to what he said last year, both different in approach but equally satisfactory in result. Aping the spokesman at every step, a Hong Kong Government official also said that the final decision on the issue of RTHK's independence should be made by the Hong Kong Government, not by the JLG.

The public would like to ask: According to this logic, what is the use of JLG discussions? As is known to all, the JLG was set up in accordance with the Sino-British Joint Declaration with an aim to ensure an effective implementation of the Joint Declaration and a smooth handover of power in 1997. The two governments have agreed that closer contacts are necessary during the latter half of the transition period from the JLG's founding to 1 July 1997. In addition, the two governments have also listed all subjects which should be discussed by the JLG during this period, one of which is "measures to be adopted to ensure a smooth transition toward 1997." Being part of the British Hong Kong Government, RTHK serves as an important media and mouthpiece for the Hong Kong Government. Since it has a great bearing on a stable transition of Hong Kong before 1997 and the operation of the special administrative region [SAR] government after 1997, the issue of RTHK's privatization should naturally be submitted for discussion at the diplomatic level between China and Britain. Moreover, upon the two governments' approval, agreements reached by the JLG will possess an irrefutable binding force. These agreements should be implemented not only by organs under the Chinese Government, but also by those under the British Government, including the Hong Kong Government. There is absolutely no room for bargaining. This was applicable to the issue of the Court of Final Appeal, and is also applicable to the issue of RTHK's future direction once an agreement is reached and approved by both the Chinese and British Governments. Judging by the arguments of some British and Hong Kong Government officials, it seems that the JLG's nature and functions are changeable, and that the Hong Kong Government can even override the Chinese and British Governments. Is not that astonishing? If the irresponsible remarks of a certain British official on the Court of Final Appeal issue last year was clarified as his personal views, what kind of an explanation can British and Hong Kong Government officials give on their remarks this time concerning RTHK's independence?

Although the implications of both remarks are similar, there are also a number of differences. Last time, they made remarks after the JLG had reached an agreement, which can be said to "gain mastery by striking only after the other side struck"; yet this time, they remarked before the JLG ever carried out a discussion, which can be described as "forestalling an opponent by a show of strength." Whatever it is, these officials aim to belittle and jeopardize the JLG's functions and roles, and to

hinder China and Britain from carrying out normal and efficient cooperation. In the final analysis, therefore, their moves are neither beneficial to ensuring a smooth and steady transition of Hong Kong, nor to maintaining Hong Kong's prosperity and stability. Besides, the move to "forestall an opponent by a show of strength" will yield worse results than that of "gaining mastery by striking after the other side has struck." After all, the latter is merely an act based on an already reached agreement. However, the former aims to jeopardize the sound and cooperative atmosphere of discussion, thus giving people a sense of lacking sincerity. In addition, the former is also harmful to the rigorous attitude of high-ranking governmental officials. In my opinion, since both the Chinese and British sides have agreed to submit the issue of RTHK's independence to the JLG for discussion, British and Hong Kong Government officials should be more cautious in making remarks on this issue. Would not it be better to wait and air their views at the JLG meeting? I wish that they could refrain from repeating the same mistake and suffering from the same passive situation as they did on the Court of Final Appeal issue.

#### Sources Say Taiwan Fires KMT Representative

HK2202050592 Hong Kong THE STANDARD  
in English 22 Feb 92 p A-1

[By S.L. Law]

[Text] Taiwan has stripped its controversial new representative in Hong Kong of the authority to represent and manage Kuomintang [KMT] affairs here, inside sources have said.

The director [of] Chung Hwa Travel Service, John Ni, was said to be still heading Taiwan Government bodies in Hong Kong, despite his loss of power over the ruling party's functions.

The travel service represents Taiwan's Foreign Ministry in Hong Kong.

Mr Ni is a member of the KMT's Central Committee.

The sources said the stripping of the aggressive Mr Ni's authority was a result of conflicts between himself and the relatively conservative KMT members in Hong Kong.

The decision to strip Mr Ni of his authority over party operations was officially announced by KMT overseas affairs department deputy head Liao Fu-pen during a recent trip to Hong Kong.

"The dispute was so serious that the KMT had to send Mr Liao to Hong Kong late last year to announce a separation between party and government in an internal party meeting," the source said.

Mr Liao has not been available for comment this week and Mr Ni has refused to discuss the matter.

Mr Ni's "over ambitious" performance since he was posted to Hong Kong last September was said to have triggered the incident.

"The Kuomintang's most senior official in Hong Kong, Chen Chi-fair, was actually ready to hand over power to Mr Ni," said the sources.

Mr Chen has reached retirement age and there has long been speculation that he would retire from his position as head of the KMT's Hong Kong branch.

Taipei's original plan was to let Mr Ni oversee all of Taiwan's official bodies in Hong Kong, including the party, government and other fields.

"However, Mr Ni's severe criticism of the KMT's Hong Kong branch has provoked Mr Chen and other KMT personnel in Hong Kong," the source said.

The row attracted a great deal of speculation from the local media before the the KMT Central Committee decided to take action.

It did so after learning that Mr Ni failed to inform Mr Chen of meetings.

The separation of party and government leadership may jeopardise Taiwan's policy of increasing its influence in the territory.

### Macao

#### Macao Committee To Study Use of Chinese Language

OW2102143492 Beijing XINHUA in English  
1417 GMT 21 Feb 92

[Text] Hong Kong, February 21 (XINHUA)—A committee on studying the use of the Chinese language in the realms of administration and judicial affairs in Macao was founded here today.

Governor of Macao Vasco Joaquim Rocha Vieira said Chinese has already become an official language in Macao. Therefore, he said, popularization of Chinese constitutes an important task and it is necessary to set up a special committee to take on affairs in this regard.

The committee, headed by the governor, is composed of officials of relevant government departments and public figures.

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